

Protect Yourself from Tax Time Predators

Now that the holidays are becoming distant memories, consumers are entering a new season: Tax Season. With all the advertisements for tax services and promises of quick refunds, filing can be a daunting task. Scam artists make it even more difficult as they plot to separate you from your refund. No matter what method you choose, SCDCA offers the following advice to make filing less taxing:

Choosing a Tax Professional

It is very important to choose a reliable tax preparer. If there are any errors in your return, *you are responsible*.

1. **Check the person's qualifications.** Ask about any professional organizations with which they are a member. These organizations generally offer education programs for preparers and make them adhere to an ethics code.
2. **Check their license status and history.** All paid tax preparers must have a Preparer Tax Identification Number (PTIN) from the IRS, but they may also be a certified public accountant or an attorney. Check with the IRS Office of Professional Responsibility for information on enrolled agents (www.irs.gov/irs/article/0,,id=175512,00.html), the SC Department of Labor, Licensing and Regulation for information on certified public accountants (www.llr.state.sc.us/pol.asp) and the South Carolina Bar for information on attorneys (www.sctbar.org/MemberResources/MemberDirectory.aspx).
3. **Empty promises.** Steer clear of preparers that base their fee on a percentage of your refund or make claims that they can get you a bigger refund.
4. **Stay involved.** Make sure you provide your tax preparer with all the necessary records and documents to correctly file your return.
5. **Never sign a blank return.** Make sure you read your return thoroughly before signing it.
6. **Verify that the preparer has signed the return and included their PTIN.** This is required by law and is an indication that the preparer is legitimate.
7. **Want a preparer who offers Refund Anticipation Loans?** These short-term loans come with high interest rates. If the IRS does not return the amount of the loan or the return takes longer than anticipated, you will still be responsible for paying the full loan amount on time.

Filing Your Taxes Online

Online tax filing offers ease and convenience, but take a moment to be sure that you file in the safest way possible:

1. **Ensure the site is secure.** Look for a small padlock on the screen and that the web address begins with “https.”
2. **Use a reputable company.** Don’t choose one just because it is free or cheap.
3. **Scammed?** If you suspect that you have been scammed you can contact one of the credit reporting agencies and place a fraud alert or freeze on your credit report.
4. **Use antivirus or antispyware software and a firewall.** Make sure to update them regularly.
5. **Pay by credit or charge card for the best consumer protections.** Under federal law, you have the right to dispute charges you disagree with. If your card is used without your permission, you are usually only responsible for the first \$50.

Tax Scams

Tax season brings various scammers out of the wood work:

1. **Be on the look out for ‘phishing’ scams.** Scammers often try to solicit your personal information via e-mail or even text message. The fraudster may pose as being from the IRS to trick you into disclosing the information. Don’t be fooled!
2. **Don’t believe scammers who say you don’t have to pay taxes.** These arguments are bogus and usually come with someone trying to sell informational materials on “how not to pay taxes.”
3. **Report a tax scam.** If you know about a tax scam call the IRS at **1.800.829.3676** or file a report (**Form 3949-A**) online at **www.irs.gov**.



Tax Help

E-File. To get a speedy refund, use e-file and direct deposit (www.irs.gov/freefile).

VITA. See if you qualify for free tax preparation services through the Volunteer Income Tax Assistance Program (www.irs.gov / 1-800-906-9887).

TCE. If you are 60 or older check out Tax Counseling for the Elderly (www.aarp.org / 1-888-227-7669).

Taxpayer Advocacy

If you are having difficulties with the IRS, are experiencing economic hardships (such as being unable to pay for common necessities) or believe that an IRS procedure or system is not working as it should, contact the Taxpayer Advocate Service at 1.877.777.4778 or visit www.irs.gov/advocate

SCDCA aims to protect consumers from inequities in the marketplace through advocacy, complaint mediation, enforcement and education. To file a complaint or for information on consumer issues, visit www.sconsumer.gov or call toll-free, 1-800-922-1594.