

IRS Warning Consumers to Lookout for Signs of Identity Theft Tax Fraud

February 29, 2012 - It is the height of the tax filing season once again. And once again, ID thieves and crooks are targeting those filing tax returns. Whether the crook steals the refund check out of your mailbox, or gets a return issued to another address in your name, becoming a fraud victim is absolutely no fun at all. And the pain that you feel could be multiplied when the crime also involves the IRS.

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Tax ID theft is an exponential-growth crime. From 2010 to the 2011, it is crime that grew by 500%. There is no reason to believe that this trend won't continue into the new year.

And there is little wonder that tax ID theft is growing so quickly. There is almost no barrier to entry. Criminals simply need to file a tax return in your name, which claims that you are due a large refund. By filing early, the chances are that they will have the refund before you actually file your taxes. And when you do file your taxes, if the government owes you money there is a good chance that it will take you a long time to lay your hands on it.

Regardless of your opinion of the IRS, they don't want you to become a victim of this crime. In fact, they want you to be aware of the warning signs that someone may be using your identity. Those signs include:

- Notices from the IRS that you have income from someone who is not your employer that you owe tax on
- IRS notices that state the IRS is trying to collect on taxes prior to the time that you file your return

- IRS notices concerning additional tax liability for the latest tax year when you haven't filed your return yet

The IRS was able to stop well over a quarter of a million false tax returns last year. But they can't stop the problem completely. Consumers need to be vigilant as well.

To protect yourself, the best advice is to make sure that your personally identifiable information is kept secret. Keep your Social Security Number very, very private and don't post personally identifiable information online or freely give it out to solicitors. And if you get a call from anyone claiming to be from the IRS, you need to know that they never call and ask for your Social Security Number. They already have that information and have no need to solicit it.

If you suspect that you have become a victim of Tax ID theft, then notify the IRS immediately. They have setup an identity theft hotline that can be reached by calling 1-800-908-4490.

by Jim Malmberg

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