



“TAX TIPS FROM TAXBRAINIA X”

Tips on Identity Theft and Taxes

Learning that you are a victim of identity theft can be a stressful event. Identity theft is also a challenge to businesses, organizations and government agencies, including the IRS. Tax-related identity theft occurs when someone uses your stolen Social Security number to file a tax return claiming a fraudulent refund.

Many times, you may not be aware that someone has stolen your identity. The IRS may be the first to let you know you're a victim of ID theft after you try to file your taxes.

The IRS combats tax-related identity theft with a strategy of prevention, detection and victim assistance. The IRS is making progress against this crime and it remains one of the agency's highest priorities. Here are some tips to know about ID Theft:

- **Protect your Records.** Do not carry your Social Security card or other documents with your SSN on them. Only provide your SSN if it's necessary and you know the person requesting it. Protect your personal information at home and protect your computers with anti-spam and anti-virus software. Routinely change passwords for Internet accounts.
- **Don't Fall for Scams.** The IRS will not call you to demand immediate payment, nor will it call about taxes owed without first mailing you a bill. Beware of threatening phone calls from someone claiming to be from the IRS. If you have no reason to believe you owe taxes, report the incident to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484.
- **Report ID Theft to Law Enforcement.** If your SSN was compromised and you think you may be the victim of tax-related ID theft, file a police report. You can also file a report with the Federal Trade Commission using the FTC Complaint

Assistant. It's also important to contact one of the three credit bureaus so they can place a freeze on your account.

- **Call TaxBrainiaX to file an "Identity Theft Affidavit".** We will file the form with the IRS, while you continue to pay your taxes. We will file your tax return, even if it must be done by paper.
- **Understand IRS Notices.** Once the IRS verifies a taxpayer's identity, the agency will mail a particular letter to the taxpayer. The notice says that the IRS is monitoring the taxpayer's account. Some notices may contain a unique Identity Protection Personal Identification Number (IP PIN) for tax filing purposes.
- **IP PINs.** If a taxpayer reports that they are a victim of ID theft or the IRS identifies a taxpayer as being a victim, they will be issued an IP PIN. The IP PIN is a unique six-digit number that a victim of ID theft uses to file a tax return. In 2014, the IRS launched an IP PIN Pilot program. The program offers residents of Florida, Georgia and Washington, D.C., the opportunity to apply for an IP PIN, due to high levels of tax-related identity theft there.
- **Data Breaches.** If you learn about a data breach that may have compromised your personal information, keep in mind not every data breach results in identity theft. Further, not every identity theft case involves taxes. Make sure you know what kind of information has been stolen so you can take the appropriate steps before contacting the IRS.
- **Report Suspicious Activity.** If you suspect or know of an individual or business that is committing tax fraud, you can visit [IRS.gov](https://www.irs.gov) and follow the chart on How to Report Suspected Tax Fraud Activity.
- **Combating ID Theft.** Over the past few years, nearly 2,000 people were convicted in connection with refund fraud related to identity theft. The average prison sentence for identity theft-related tax refund fraud grew to 43 months in 2014 from 38 months in 2013, with the longest sentence being 27 years. During 2014, the IRS stopped more than \$15 billion of fraudulent refunds, including those related to identity theft. Additionally, as the IRS improves its processing filters, the agency has also been able to halt more suspicious returns before they

are processed. So far this year, new fraud filters stopped about 3 million suspicious returns for review, an increase of more than 700,000 from the year before.

- **Service Options.** Information about tax-related identity theft is available online. There are special sections on IRS.gov devoted to identity theft and a phone number available for victims to obtain assistance.

If you did not file your 2014 tax return, or filed an extension for 2014, pick up the phone and call **TaxBrainiaX today at 888.764.2805** for a free consultative phone call on how to handle unfiled taxes. If you owe the IRS and do not have the money to pay, call **TaxBrainiaX** and we can assist you in making arrangements for payment that will fit your financial needs. We are here to assist you and provide professional and personalized service to our clients....you won't be sorry you called us!!!

The Staff of TaxBrainiaX, Inc.

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