



REID AND RIEGE P.C.
COUNSELLORS AT LAW

TAX LAW ALERT

April 2015

The Tax Scam – What You Should Know

As April 15th approaches, the IRS recently published a warning to taxpayers not to be fooled by the tricks that scammers use to take advantage of those they target. These scammers use fake names, provide bogus IRS badge numbers, and alter caller ID numbers to make it look like the IRS is contacting you. In short, taxpayers must be alert.

“This is no April Fool’s joke. Everyone should be on the lookout for threatening calls from people faking IRS phone numbers and demands for immediate payment,” IRS Commissioner John Koskinen said. “These are scams. I urge taxpayers to stay vigilant and remain aware of the constantly changing tactics used by these criminals.”

As the filing season nears its end, there has been a surge of phone scams. The typical scam angle is to threaten the victims with such things as police arrest, deportation, license revocation and more, according to the IRS. They often leave “urgent” callback requests and have been known to impersonate agents from the IRS with promises to “fix” your tax problems, the IRS has warned.

What you should know

First, there are five things the scammers often do THAT THE IRS WILL NOT DO! The IRS will not:

- Call to demand immediate payment, nor will the agency call about taxes owed without having first mailed you a bill;
- Demand that you pay taxes without giving you the opportunity to question or appeal the amount they say you owe;
- Require you to use a specific payment method for your taxes, such as a prepaid debit card;
- Ask for credit or debit card numbers over the phone; or
- Threaten to bring in local police or other law-enforcement groups to have you arrested for not paying.

Second, what should you do if you do receive a phone call from someone claiming to be from the IRS and asking for money? THE IRS SAYS THAT YOU SHOULD:

- If you know you owe taxes or think you might owe, call the IRS at 1-800-829-1040;
- If you know you don’t owe taxes or have no reason to believe that you do, report the

incident to the Treasury Inspector General for Tax Administration at 1-800-366-4484 or report it online at the IRS Impersonation Scam Reporting Page; and

- If you've been targeted by a scam, also contact the Federal Trade Commission and use their FTC Complaint Assistant at FTC.gov; and if the complaint involves someone impersonating the IRS, include the words "IRS Telephone Scam" in the notes.

Third, remember that the IRS does not use email, text messages or any social media to discuss your personal tax issue involving bills or refunds. For more information on reporting tax scams, go to IRS.gov and type "scam" in the search box.

The Reid and Riege Tax Law Alert is a publication of Reid and Riege, P.C. It is designed to provide clients and others with information on recent developments which may be of interest or helpful to them.

This issue of the Tax Law Alert was written by Christopher J. Rixon, Chair of the Tax Group, at Reid and Riege, P.C. The Tax Group works with business lawyers on issues of choices of entities, formation and operation, as well as taxable and/or tax-free transactions. The Group is involved with decisions involving capitalization, working with commercial and transactional lawyers in structuring and determining levels of equity, debt and various hybrids. The Tax Group is also called upon to work outside the Business Law Practice Area with respect to issues of pensions and profit sharing arrangements, trusts and estates, personal wealth planning, real estate transactions and financing, litigation and settlement agreements, health care and nonprofit law. The attorneys in Reid and Riege's Business Law Practice Area provide general counsel and transactional representation to businesses, their owners and the institutions who finance them. That representation may involve the formation and ownership of a new business, the transition of an existing family business from one generation to the next, structuring buy-sell arrangements between owners of a business or the disputes that sometimes arise among owners of a business.

For information or additional copies of this alert, or to be placed on our mailing list, please contact Carrie L. Samperi at (860) 240-1008 or info@rrlawpc.com, or members of Reid and Riege, P.C., One Financial Plaza, Hartford, CT 06103. For other information regarding Reid and Riege, P.C., please visit our website at www.rrlawpc.com.

© 2015 Reid and Riege, P.C. - All Rights Reserved

The foregoing has been prepared for the general information of clients and friends of Reid and Riege, P.C., and is intended to be for discussion purposes only. It is not intended and should not be construed to provide any legal advice with respect to any specific matter and should not be acted upon without engaging professional counsel. It is not intended, and the receipt does not constitute, an attorney-client relationship between sender and receiver. If you have any questions or require any further information regarding this information or other related matters, please direct your inquiry to any lawyer listed above or contact a member of the firm.