



# TRS Newspaper

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## The tax deadline is looming. But to remind readers how easy is to get in tax trouble, here's the IRS's annual "Dirty Dozen" list.

It's become an annual tradition for the IRS. And it isn't Tax Day.

It's the "Dirty Dozen." Every year, auditors and investigators at the IRS compile the most frequently employed scams peddled to American taxpayers as ways to avoid income tax. Fall victim to one, and you can find yourself in a tax world of trouble:

**1. Phishing:** Phishing is a trick used by Internet thieves to trick taxpayers into revealing personal information they can then use to access the victims' financial accounts. Phishing scams often take the form of an e-mail that appears to come from a legitimate source. To date, the IRS has documented 33,000 versions of this e-mail scam.

**2. Scams Related to the Economic Stimulus Payment:** Some scam artists are trying to trick individuals into revealing personal financial information that can be used to access their financial accounts by making promises related to the economic stimulus payment, often called a "rebate."

**3. Frivolous Arguments:** Promoters of frivolous schemes encourage people to make unreasonable and unfounded claims to avoid paying the taxes they owe.

**4. Fuel Tax Credit Scams:** The IRS is receiving claims for the fuel tax credit that are unreasonable or frivolous.

**5. Hiding Income Offshore:** Individuals continue to try to avoid paying U.S. taxes by illegally hiding income in offshore bank and brokerage accounts or using offshore debit cards, credit cards, wire transfers, foreign trusts, employee leasing schemes, private annuities or life insurance plans.

**6. Abusive Retirement Plans:** The IRS is looking for transactions that taxpayers are using to avoid the limitations on contributions to Roth IRAs. Taxpayers should be wary of advisers who encourage them to shift appreciated assets into Roth IRAs or companies owned by their Roth IRAs at less than fair market value.

**7. Zero Wages:** Filing a phony wage- or income-related information return to replace a legitimate information return has been used as an illegal method to lower the amount of taxes owed.

**8. False Claims for Refund and Requests for Abatement:** This scam involves a request for abatement of previously assessed tax using Form 843, "Claim for Refund and Request for Abatement."

**9. Return Preparer Fraud:** Dishonest tax return preparers can cause many problems for taxpayers who fall victim to their schemes.

**10. Disguised Corporate Ownership:** Some people are going as far as forming domestic shell corporations in certain states for the purpose of disguising the ownership of a business or financial activity.

**11. Misuse of Trusts:** Unscrupulous promoters urge taxpayers to transfer assets into fraudulent trusts.

**12. Abuse of Charitable Organizations and Deductions:** The IRS continues to observe misuse of tax-exempt organizations.

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