



TRS Newspaper

Tax Resolution Services, Co., Est. 1997

"The Nation's Leading Experts in Tax Negotiation and Mediation"

6345 Balboa Blvd., Bldg. IV, Suite 285 Encino, CA 91316

1-(866) IRS-PROBLEMS or (818) 774-1813 / www.taxresolution.com

The IRS's Dirty Dozen: 12 Tax Scams to Avoid

With people looking for ways to save money this year, the tax-scam artists are having a field day. But here are the 12 scam you are most likely to encounter

April 15 has come and gone. You can check off one more line in the Death and Taxes column.

But that doesn't mean you should relax. With identity theft on the rise and scamsters preying on taxpayers looking for a break in these hard economic times, it can be a scary, scary taxpaying world.

For that reason, the IRS is continuing in its annual tradition of releasing a "Dirty Dozen" list — the 12 most common tax scams that could put you in a world of financial hurt.

Whether perusing your e-mail inbox or the local classifieds, beware of these 12 tax scams in 2009:

1. **Phishing:** Internet-based scam artists use phishing to trick victims into revealing personal or financial information for the purposes of identity theft. Phishing scams often take the form of an e-mail that appears to come from a legitimate company or government entity, such as the IRS. The IRS never initiates unsolicited e-mail contact with taxpayers.

2. **Hiding Income Offshore:** This is a time-honored tax evasion scam. But don't fall for it. Today, even Swiss banks are opening up records to the IRS. Using this scam could land you in prison.

3. **Filing False or Misleading Forms:** Some scam artists promote frivolous information returns, such as Form 1099-Original Issue Discount (OID), claiming false withholding credits are used to legitimize erroneous refund claims.

4. **Abuse of Charitable Organizations and Deductions:** Watch out for people claiming you can shield income from taxes using tax-exempt organizations.

5. **Return Preparer Fraud:** Be skeptical of tax return preparers who guarantee large refunds. They aren't working magic; they're cheating.

6. **Frivolous Arguments:** A number of tax-shelter promoters nationwide use frivolous arguments that do not withstand court scrutiny. You can find a list of legal arguments taxpayers should avoid at www.irs.gov.

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

8. **Abusive Retirement Plans:** Be wary of anyone encouraging you to shift large assets into IRAs or companies owned by IRAs.

9. **Disguised Corporate Ownership:** The IRS actively investigates the use of corporations to facilitate the underreporting of income.

10. **Zero Wages:** Some scam artists advocate simply filing your taxpayer income as \$0.

11. **Misuse of Trusts:** Although there are legitimate uses of trusts, scam artists employ them as tax shelters.

12. **Fuel Tax Credit Scams:** This tax credit was largely intended for commercial farmers, but some individual taxpayers are abusing it by submitting frivolous credit claims.

*Michael Rozbruch is a Certified Tax Resolution Specialist, a member of the American Society of IRS Problem Solvers and a Maryland CPA. You can contact him at 866-477-7762 to obtain a free subscription to his newsletter titled *The IRS Times & Inquirer*.*