



Not all tax preparers are honest. Beware ACA-related tax scams

The IRS is warning about tax preparers who take advantage of innocent taxpayers. The New York Times reports that recent scams are targeted at those who do not speak English as a first language. The Times relays IRS's warning for consumers about tax scams involving the Affordable Care Act and penalties imposed under the law on people who go without health insurance

In some cases, unscrupulous tax preparers tell clients to pay the penalties directly to them, and they keep the money. It seems these schemes have recently been targeting taxpayers with limited English proficiency and, in particular, those who primarily speak Spanish.

The IRS has attempted to impose regulations on tax preparers - such as annual fees, certification tests, and continuing education courses - but these regulations have not been adopted. According to the National Taxpayer Advocate, Nina E. Olson, "a person can hold himself out as a return preparer with almost no knowledge or skill by simply sitting with a taxpayer and working through the questions in tax preparation software."

Our Tax Clinic's own director, Jamie Andree, has this to say: "In fact, many tax preparers don't ask enough questions to properly prepare a tax return. Or they ask questions and still don't get it right. It's too bad IRS's effort to regulate them was unsuccessful. Lots of consumers are harmed."

Remember, if you need to make a payment to the IRS, either for the Individual Shared Responsibility payment or another tax payment, it should be made only with your tax return or in response to a letter from the IRS. The payment should never be made directly to an individual or return preparer.

If you, or someone you know, has been the victim of a scam, contact us for free legal help!
