

## Free Tax Return Preparation for Qualifying Taxpayers

The Volunteer Income Tax Assistance (VITA) program offers **free** tax preparation services for taxpayers that meet the VITA income guideline. The tax preparers are IRS-certified volunteers that provide free basic income tax return preparation with electronic filing to qualified individuals.

The VITA program is generally available during tax season only (January to end of April or beginning of May). There may be a location that is open until October, but this varies from year to year. They also assist limited English speaking taxpayers. To locate the nearest VITA site you can call 800-906-9887 or go to <https://irs.treasury.gov/freetaxprep/>.



Additional information may be found at:

# LawHelp.org/SC

South Carolina's guide to free legal resources

South Carolina Legal Services Low Income Taxpayer Clinic assist taxpayers that are victims of tax preparer fraud.

To apply for our services, please call our Legal Telephone Intake Service at 1-888-346-5592. You can also apply online on [www.sclegal.org](http://www.sclegal.org). Our services are free to qualifying applicants!

### What other types of legal representation are available from South Carolina Legal Services?

- Federal Tax Issues
- Collection Issues
- Consumer Issues
- Bankruptcy
- Family
- Housing
- Employment
- Social Security disallowance

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**South Carolina  
Legal Services**

*Balancing the Scales of Justice*

## Tax Preparer Fraud



### Our Mission

South Carolina Legal Services is a statewide law firm that provides civil legal services to protect the rights and represent the interests of low-income South Carolinians.

### For Free Services

1 (888) 346-5592

[contactus@sclegal.org](mailto:contactus@sclegal.org)

[www.sclegal.org](http://www.sclegal.org) / [www.lawhelp.org/sc](http://www.lawhelp.org/sc)

[www.probono.net/sc](http://www.probono.net/sc)

[www.lawhelp.org/sc/online-intake](http://www.lawhelp.org/sc/online-intake)



## Tax Preparer Fraud

The preparation and filing of false income tax returns by preparers who claim inflated personal or business expenses, false deductions, unallowable credits or excessive exemptions on returns prepared for their clients is considered return preparer fraud. Preparers can manipulate income figures to fraudulently obtain tax credits.

### Why would a tax preparer manipulate your income tax returns?

Tax preparers can set their fee based on a percentage of the refund the taxpayer is supposed to receive. The higher the refund the taxpayer receives, the more the tax preparer would get paid. Fraudulent preparers obtain financial gain by taking a portion of their clients' tax refunds and charging inflated fees for return preparation services.

### What to avoid when looking for a tax preparer?

Taxpayers should choose carefully when hiring a tax preparer. Taxpayers should try to **avoid**;

- Tax preparers who claim they can obtain larger refunds than other preparers;
- Tax preparers who base their fee on a percentage of the amount of the refund;
- Tax Return Anticipation Loans known also as "Rapid Refunds"
- Seasonal tax preparers. You should hire a tax preparer that is going to be available to answer questions if you get audited by the IRS.
- Paid tax preparers with no credentials
- Paid tax preparers who won't sign the tax return, and don't provide a copy of the filed tax return

**What to do before filing and after filing your tax return.** Before agreeing to file your income tax return electronically and/or signing your income tax return, you should ask for a copy of your income tax return and review the followings;

- **Your personal information** (Name, Address and Social Security Number)
- **Bank Account Number.** If you chose to have your refund deposited directly into your bank account, you must make sure that the bank account number on your tax return is yours. If you don't have a bank account, you should request to have your tax refund sent to you by mail.
- **Income reported on your tax return.** Make sure that all income information that it is being reported on your tax return matches the income information that appears on your W2's, 1099's and other tax forms.
- **Dependents information.** If any of the dependents listed on your income tax return are not really your dependents, you should ask the tax preparer to remove the false dependent from your return.
- **If you file and Itemized Tax Return,** Review the deductions such as out of pocket medical expenses, mortgage interest; child care, charity, education expenses (tuition and fees) among others reported on Schedule C.
- **If you Paid to have your Tax Return Prepared** Make sure that the tax preparer included their information, credentials and signed the return where indicated on the second page of your income tax return, IRS form 1040 & 1040A. Page 1 of IRS Form 1040EZ.

- **Ask for a Copy of IRS form 8879,** IRS e-file Signature Authorization, that you are required to sign to give permission to a paid preparer to e-file your tax return.

Once the tax return is filed you should ask for a copy of the filed return as well, and review it again. Make sure that all information reported or listed on your tax return is correct. YOU are responsible for all the information on the tax return. When the IRS detects a fraudulent return, YOU are the person who will be held responsible for any additional taxes and interest, and may be subject to penalties.

**If you believe you are a victim of tax prepare fraud you should contact the IRS immediately.**

### Reporting Suspected Tax Fraud Activity

You can report tax fraud or abusive return preparers to the IRS on Form 3949-A, Information Referral. This form is available to download on the IRS Web site at IRS.gov or by calling (800) 829-3676 to order by mail. The completed form, or a letter detailing the alleged fraudulent activity, should be sent to Internal Revenue Service, Fresno, CA 93888.

The mailing should contain specific information about the individual or business, the activity, when the alleged violation took place, the amount of money involved, how you became aware of it and any other information that might be helpful to an investigation. The identity of the person filing the report is not required but it could be helpful in an investigation and it can be kept confidential.