

Physicians among victims of tax fraud

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In the midst of tax season, some physicians are receiving notice that they are victims of identity theft in the form of fraudulent tax filings. Learn the steps to take if this happens to you.

While the exact number of physicians affected by tax return fraud is uncertain, hundreds of cases have been confirmed in a number of states across the country. According to a report from the Department of Justice, about 7 percent of persons age 16 or older were victims of identity theft in 2014, which is similar to 2012 data and shows that the problem is not going away.

But physicians are not the only victims. Thousands of Americans have been impacted by a surge in refund fraud, possibly due to data stolen through an application on the Internal Revenue Service's (IRS) website last year.

The scheme and how to handle it

The thieves are filing false tax returns under stolen Social Security Numbers so they can collect the refunds. When the victims have attempted to file their legitimate tax returns, those returns have been rejected because the fraudsters already filed using the victims' identity and collected funds based on the false returns.

The IRS "Taxpayer guide to identity theft" offers additional information about tax-related identity theft, including these three warning signs:

- You are notified that more than one tax return was filed using your Social Security Number
- You owe additional tax, refund offset or have had collection actions taken against you for a year in which you did not file a tax return
- IRS records indicate you received wages or other income from an employer for whom you did not work

If you are a victim of this scam, you should receive a 5071C letter from the IRS with instructions for providing information via the IRS identity theft website. You also can call the IRS at (800) 830-5084 to let agency officials know that you did not file the return referred to in the IRS' letter.

The next step is to file a paper return if you have not done so already, attaching a Form 14039 Identity Theft Affidavit to explain what happened. You also should attach copies of the 5071C letter and any other notices from the IRS on this issue.

If you did not receive a 5071C letter or already have received confirmation that your legitimate tax return was accepted, you most likely are not among this year's victims.