



August 9, 2017

# **Update from the Return Preparer Office**

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## Impact of Paid Preparers on Tax Administration

**93 million individual and business income tax returns were prepared by paid preparers in 2016**

\$7.4 trillion

Total income

\$1.3 trillion

Total tax

\$312 billion

Total refunds



# Return Preparer Office Programs

- ❖ What programs does RPO administer?
  - Preparer Tax Identification Numbers (PTINs)
  - Enrollment to Practice
  - Annual Filing Season Program
  - Public Directory of Preparers
  - Forms 14157, Complaint: Tax Return Preparer
  - IRS-Approved CE Providers



# Are You The Next Target?

- ❖ Identity Theft
- ❖ Stolen Refund Fraud
- ❖ System Intrusions



## It *CAN* happen to you!

- ❖ Cybercriminals are targeting tax professionals
    - January-May 2017 – 177 tax professionals reported data breaches
    - IRS receiving reports from 3 to 5 tax pros each week
  - ❖ Simple steps can help protect your clients and your business
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## Review Pub. 4557

- ❖ Publication 4557, Safeguarding Taxpayer Data
    - Checklist to review current security practices
    - Identify your risks
    - Create a security plan
    - Review your plan annually
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## Use Best Security Practices

- ❖ Learn to recognize and avoid phishing emails and phishing scams
  - ❖ Use strong security software to protect against malware and viruses
  - ❖ Use security functions on your tax prep software
  - ❖ Encrypt taxpayer data
  - ❖ Use strong, unique passwords
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## Lose data? Call IRS immediately

- ❖ Contact your local Stakeholder Liaison
    - [www.irs.gov](http://www.irs.gov) keyword search “stakeholder liaison” to find contact for your state
    - IRS may be able to help protect your clients if notified quickly
  - ❖ Review “Data Loss Information for Tax Professionals” at [IRS.gov/identitytheft](http://IRS.gov/identitytheft) for additional steps
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## Maintain, monitor & protect EFIN

- ❖ Keep e-File Application up-to-date with names, addresses and phone numbers
  - ❖ Monitor use of your EFIN weekly via your e-File application
    - Monitor PTIN filings as well from PTIN account
  - ❖ Protect EFIN from theft; avoid e-Services scams
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## Educate Clients and Staff

- ❖ Ongoing education public education campaign: Taxes. Security. Together.
  - ❖ Share Publication 4524, Security Awareness for Taxpayers, with clients
  - ❖ Ensure all staff are aware of and maintain security protocols
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## Spread the Word on W-2 Scam

- ❖ Poses as company executive, asks payroll employee for list of all employees W2s
    - 50 victims last year; 200 this year
    - Hundreds of thousands of new IDT victims
  - ❖ Targets: businesses, public schools, universities, tribes
  - ❖ Employer/victims should email [dataloss@irs.gov](mailto:dataloss@irs.gov) and provide POC
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## For additional information

- [IRS.gov/ptin](https://www.irs.gov/ptin)
- [IRS.gov/taxpros](https://www.irs.gov/taxpros)
- [IRS.gov/identitytheft](https://www.irs.gov/identitytheft)
- [Facebook.com/irstaxpros](https://www.facebook.com/irstaxpros)
- [Twitter.com/irstaxpros](https://twitter.com/irstaxpros)
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