



GLO Report – May 2024

Internal Revenue Service:

Taxpayers and tax pros: Beware of these common tax scams

Taxpayers and tax professionals should remain alert and aware of these common scams, schemes and cons to avoid losing money, personal information or client data.

Social media: Fraudulent form filing and bad advice Social media can circulate inaccurate or misleading tax information, and the IRS has recently seen schemes that encourage people to submit false, inaccurate information in hopes of getting a refund or taking advantage of a credit, such as the Employee Retention Credit. Taxpayers should always remember that if something sounds too good to be true, it probably is. Taxpayers can follow the IRS on X (formerly Twitter) with @IRStaxsecurity for help avoiding common scams that could put their money and information at risk.

Online Account help from third-party scammers Swindlers pose as a "helpful" third party and offer to create a taxpayer's IRS [Online Account](#) at IRS.gov. The scammers making these offers are trying to steal a taxpayer's personal information. Taxpayers should access their account directly through IRS.gov. **Phishing and spearphishing** Taxpayers and tax professionals should be alert to fake communications posing as legitimate organizations in the tax and financial community, including the IRS and the states. These messages arrive in the form of an unsolicited text or email to lure victims into providing valuable personal and financial information that can lead to identity theft.

Spearphishing is a tailored phishing attempt targeting a specific organization or business. Tax professionals need to be very careful about spearphishing because of the risk of a data breach. A successful spearphishing attack can ultimately steal client data and the tax preparer's identity, allowing the thief to file fraudulent returns.

Unscrupulous tax return preparers Most tax preparers provide outstanding and professional service. However, people should be careful of shady tax professionals and watch for common warning signs, including charging a fee based on the size of the refund. A major red flag or bad sign is when the tax preparer is unwilling to sign the dotted line. Avoid these "ghost" preparers, who will prepare a tax return but refuse to sign or include their IRS Preparer Tax Identification Number as required by law. Taxpayers should never sign a blank or incomplete return.

Offer in compromise mills Offers in Compromise are an important program to help people who can't pay to settle their federal tax debts for less than the full amount owed. But offer in compromise "mills" make exaggerated claims with ads about settling tax debts inexpensively. They can aggressively promote Offers in Compromise in misleading ways to people who clearly don't meet the qualifications. These "mills" often charge excessive fees, costing taxpayers

thousands of dollars for a service they could have gotten directly from the IRS. A taxpayer can check their eligibility for free with the IRS [Offer in Compromise Pre-Qualifier tool](#).

Employee Retention Credit scams Some unscrupulous promoters have misrepresented eligibility rules for the Employee Retention Credit, luring well-intentioned businesses to claim the credit when they don't qualify. The IRS is highlighting [seven suspicious signs](#) and urging businesses to seek a [trusted tax professional](#) to resolve an incorrect claim if they need to.

With ERC compliance work expanding, the IRS reminds businesses to quickly pursue the [claim withdrawal process](#) if they need to ask the IRS not to process an ERC claim for any tax period that hasn't been paid yet.

The Dirty Dozen: The IRS publishes the [Dirty Dozen](#) yearly, a list of prevalent scams and fraudulent schemes that threaten small businesses and other taxpayers.

Reporting scams helps identify new emerging threats. [The Office of Fraud Enforcement's](#) Emerging Threat Mitigation Team partners with internal and external stakeholders to identify and mitigate threats to tax administration.

To report abusive promoters and preparers, complete the online [Form 14242 – Report Suspected Abusive Tax Promotions or Preparers](#), or mail or fax a completed [Form 14242](#) and any supporting material to the IRS Lead Development Center in the Office of Promoter Investigations.

Mail:

Internal Revenue Service Lead Development Center
Stop MS5040
24000 Avila Road
Laguna Niguel, California 92677 3405
Fax: 877-477-9135

Taxpayers and tax professionals can also submit this information to the IRS [Whistleblower Office](#), where they may be eligible for an award. For details, please refer to the sections on [Abusive tax schemes and abusive tax return preparers](#).

For more information on a broader range of topics and answers to small business tax questions, please visit [IRS.gov](#).

IRS recommends safeguarding information in case of natural disasters

WASHINGTON — The Internal Revenue Service reminds taxpayers that May kicks off the season of disaster preparation with National Wildfire Awareness Month and National Hurricane Preparedness Week, May 5-11.

With the tax deadline past and peak periods for disasters approaching, this is an ideal time to review and begin to protect important tax and financial information as part of a disaster emergency plan.

Disasters can have an immediate and lasting impact on individuals, organizations and businesses. Year-round preparation is critically important, and observing Hurricane Preparedness Week and Wildfire Awareness Month provides a perfect opportunity for an annual assessment of readiness. So far in 2024, the Federal Emergency Management Agency (FEMA) has issued 25 major disaster declarations in 15 states impacted by winter storms, flooding, tornadoes, wildfires, landslides and mudslides.

These are just some of the types of disasters and emergencies, whether natural or man-made, that can affect taxpayers. For current disaster declarations and information on how declarations are made, see [FEMA's Current Disasters Page](#).

The IRS offers tips which may help taxpayers protect personal financial and tax information in their preparedness planning. Taxpayers are also encouraged to visit [Ready.gov](#), [IRS.gov](#) and [FEMA.gov](#) for additional disaster information.

Protect and make copies of important documents

Original documents such as tax returns, Social Security cards, marriage certificates, birth certificates and land ownership documents need to be secured in a waterproof container in a safe space. Taxpayers are encouraged to also make copies of these important documents and store them in a secondary location such as a safe deposit box or with a trusted person who lives in a different area. In addition, scanned documents can be stored on a flash drive for easy portability.

Keep a record of valuables

In this era of cell phone technology, it is highly recommended for taxpayers to use such devices to record high-value items. A simple list with current photos or videos may also help support claims for insurance or tax benefits after a disaster. The IRS disaster loss workbooks in [Publication 584, Casualty, Disaster, and Theft Loss Workbook \(Personal-Use Property\)](#) and [Publication 584-B, Business Casualty, Disaster, and Theft Loss Workbook](#) can help individuals and businesses make lists of belongings or business equipment.

Rebuilding records

Reconstructing or replacing records after a disaster may be required for tax purposes, claiming federal assistance or insurance reimbursement. The more accurately the loss is estimated, the more loan and grant money there may be available. Taxpayers who have lost some or all their records during a disaster should visit IRS's [Reconstructing Records](#) webpage as a first step.

Employers should check fiduciary bonds

Disasters can impact a business' ability to make timely federal tax deposits. Employers using payroll service providers should check if the provider has a fiduciary bond in place that can protect the employer in the event of default by the payroll service provider. The IRS reminds employers to [carefully choose their payroll service providers](#).

IRS can provide tax relief after a disaster

After FEMA issues a major disaster or an emergency measures declaration, the IRS may postpone certain tax filing and payment deadlines for taxpayers who reside or have a business in certain counties affected by the disaster. The IRS provides details on states and counties that have been issued relief on [the IRS disaster relief page](#).

Taxpayers in the affected areas do not need to call to request this relief. The IRS automatically identifies taxpayers located in the covered disaster area and applies filing and payment relief. Those impacted by a disaster can contact the IRS disaster hotline at 866-562-5227 to ask their tax-related questions of an IRS specialist trained to handle disaster-related issues.

Taxpayers who do not reside or have a business in a covered disaster area but suffered impact from a disaster should call 866-562-5227 to find out if they qualify for disaster tax relief and to discuss other available options.

Associated research and disaster information

Taxpayers are encouraged to review publications and websites which may offer further assistance in advance preparation for disasters:

- [FEMA.gov](#)
- [Publication 547, Casualties, Disasters, and Thefts](#)
- [Publication 583, Starting a Business and Keeping Records](#)
- [Disasterassistance.gov](#)
- [Ready.gov](#)

Social Security Administration

In their ongoing commitment to provide efficient and equitable service, clients may be able to use their personal device to conduct their business with Social Security via video.

With *Social Security Video Connect*, your clients may be able to meet with a Social Security representative for Medicare, benefit applications, overpayments, redeterminations, U.S. citizen no-change replacement Social Security cards, and U.S. citizen date of birth changes. To use this

service, your clients need access to a Microsoft Teams compatible device (desktop, laptop, tablet, or smart phone with web camera).

Your clients can request a video appointment by contacting their [local Social Security office](#) or calling 1-800-772-1213 between 8:00 a.m. – 7:00 p.m., Monday through Friday.

May is Older Americans Month, an opportunity to celebrate the countless contributions that older adults have made in our communities. It is also a time to renew our commitment to protect seniors from scammers. Seniors are especially vulnerable to scammers who pretend they represent Social Security or other government agencies.

This year, we are teaming up with the [Federal Trade Commission](#) for a joint webinar to help increase awareness about government impersonators. The webinar will be held on **Thursday, May 23 at 2:00 p.m.** via Zoom. During the webinar, we will share resources to help you and your clients spot, avoid, and report scams.

Join on your computer or mobile app.

[Zoom](#)

Webinar ID: 160 011 5261

Passcode: 065085

Or call in (audio only)

Phone number: 833 568 8864

Please share this information with your clients to help spread awareness about scams.

For more information about scams and to report Social Security-related scams, go to our "[Protect Yourself from Social Security Scams](#)" webpage.

Equal Employment Opportunity Commission (EEOC):

The EEOC is hosting a free virtual webinar: Pregnant Workers' Fairness Act – an overview on May 21, 2024 at 12.30 p.m. EST. The Pregnant Workers Fairness Act (PWFA) requires most employers with 15 or more employees to provide "reasonable accommodations," or changes at work, for a worker's known limitations related to pregnancy, childbirth, or related medical conditions, unless the accommodation will cause the employer an undue hardship. At the webinar, EEOC lawyers and staff will discuss workers' rights and employer responsibilities under the law and the EEOC's final regulation, which goes into effect June 18, 2024. You'll learn who's covered, what types of limitations are covered, and what are and how to request reasonable accommodations. Click [here](#) for more information.

The EEOC is also hosting: EEO Investigations 101: Who? What? When? How? On June 11, 2024, 8:00 a.m. to 12.30 p.m. est. An employee presents a claim of discrimination. Now what? Join the

experts for a comprehensive overview of best practices in conducting internal workplace investigations. The content of this workshop is not state specific and is applicable nationwide. Click [here](#) for more information.

HSA Limits Announced for 2025

The IRS announced the 2025 maximum contribution levels for health savings accounts (HSAs) and out-of-pocket spending limits and deductible minimums for high deductible health plans (HDHPs) that must be used in conjunction with HSAs [**Rev. Proc. 2024-25**, 5-9-24].

- The maximum annual HSA contribution for an eligible individual with self-only coverage is \$4,300.
- For family coverage, the maximum annual HSA contribution is \$8,550.
- The 2025 maximum annual out-of-pocket amount for HDHP self-only coverage is \$8,300, and the maximum annual out-of-pocket amount for HDHP family coverage is twice that: \$16,600.
- The 2025 minimum deductible amounts for HSA-compatible HDHPs are \$1,650 for self-only coverage and \$3,300 for family coverage.

A fiscal year plan that satisfies the requirements for an HDHP on the first day of the first month of its fiscal year may apply that deductible for the entire fiscal year.

In addition, the IRS announced the 2025 maximum amount that may be made available for excepted benefit health reimbursement arrangements (HRAs) is \$2,150.

Office of Child Support Services (OCSS)

The OFSS has issued a fact sheet on Employer Lum Sum Reporting. This fact sheet will assist employers with determine the limit to withhold and ways to report these payments. Click [here](#).

U.S. Citizenship and Immigration Services (USCIS)

The USCIS has published a temporary final rule to increase the automatic extension period of some Employment Authorization Documents (EADs) from up to 180 days to up to 540 days from the expiration date on document. More information can be found [here](#).

State and Local Updates:

- **Connecticut** – provides Guidance to Employers using Earned Wage Access Law. Click [here](#) for more information.
- **Georgia** – Employee Withholding Allowance Certificate updated. Information is available [here](#).
- **Idaho** – Updates Withholding tables for 2024. Information is available [here](#).

- **Kansas** – enacts Earned Wage Access Law. Providers must file with the Kansas Office of Banking Commissioner. Click [here](#) for more information.
- **Minnesota** - Duluth Paid Sick Leave law was repealed. The state's plan was more generous, therefore this one was repealed.
- **New York** – Paid Sick Leave was expanded to include prenatal leave.
- **Oregon** – Child Labor penalties to increase; the state's minimum wage will also increase to \$14.70 per hour effective July 1, 2024.
- **Virginia** – Child Labor penalties to increase

