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### TurboTax, Phishing, E-Filing, And IRS Security

Imagine getting an email from TurboTax that says “Congratulations on filing your federal tax return!” There’s only one problem: you haven’t yet filed. So what about that refund you thought you were getting? Given that virtually everything is electronic these days, security and return fraud has become a massive issue, especially this year. It may make you long for the good old days.

Remember paper filed tax returns, and that hurried trip the late-closing Post Office near midnight on April 15th? It used to be an annual rite of passage, but for years now, electronic filing has been the norm. Most taxpayers and tax professionals are so used to electronic filing that they don’t even think about the old days. But this year may be an exception, with some people going back to basics.

Identity theft is a major concern. Phishing made the IRS’s Dirty Dozen [list](#) of tax scams, and everyone is worried about security. Many seem to assume that computer systems are to blame. Regardless, keep your return data as safe as you can. Change your password and keep your fingers crossed. You still have to collect Forms W-2 and 1099, but if you are [missing a Form 1099](#), [don’t ask](#), just make sure the 1099s you receive are [correct](#).



Some advisers recommend filing early before the identity thieves strike. Others say you should consider [not filing your taxes early this year](#). Either way, be careful. The IRS warns tax professionals to be on guard against bogus emails that seek updated personal or professional information. The IRS does not communicate with taxpayers by email to begin with, especially not to request personal or financial information.

For that matter, the IRS won't send you text messages or communicate on social media channels either. Notices, maybe, but the IRS won't ask you for your data. This year some scams are aimed at tax professionals, including bogus emails that ask tax professionals to update their IRS e-services portal information and Electronic Filing Identification Numbers (EFINs). Don't be tempted. If you receive an unsolicited email that says it is from the IRS, the Electronic Federal Tax Payment System (EFTPS), or a similar agency, report it to [phishing@irs.gov](mailto:phishing@irs.gov).

Amid the big uptick in fears about fraud this year, TurboTax briefly suspended filing state tax returns. Although the problems were apparently resolved, some concerns about federal tax returns remain. The [FBI is investigating fraudulent tax returns filed through TurboTax](#). Some taxpayers claim that their federal refund may be in jeopardy. Taxpayers interviewed about the [fraudulent tax filings](#) said their IRS data was compromised and returns were filed, perhaps based on their 2013 tax return data.

During TurboTax's state return flap, [H&R Block](#) one-upped its rival, stating that it was not impacted. When TurboTax got back in the saddle and [resumed processing state tax returns, it added security](#). Still, no system is perfect. The IRS monitors identity theft and other types of fraud, and has [resources](#) for victims of identity theft. The IRS says it has added and strengthened protections in its processing systems this filing season.

Even so, so far this tax filing season has been a kind of perfect storm. Plus, add to that all of the new hassles over [Obamacare tax filings](#), and it's no wonder that many taxpayers have filing angst.

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