

Filing Online and Tax Refund Fraud: Frequently Asked Questions

What are tax refunds?

Taxes on money you earned in 2015 are due on April 18, 2016. However, money is withheld from your earnings all year for taxes, and if at the end of the year, you have more withheld than you actually owe, the Vermont Department of Taxes will send you a refund for the difference when you file your tax return. Some people also qualify for important tax credits, such as the Earned Income Tax Credit (EITC). The EITC reduces the tax owed and thus increases the amount of the refund.

Why are refunds being delayed?

Sadly, we are living in a time of cyber crime, and criminals are using personal information, such as your name and Social Security Number, that they have stolen to file false tax returns. Criminals use the identifying information they have obtained illegally to file a tax return in your name and claim the refund that rightfully belongs to you.

The Vermont Department of Taxes has sophisticated systems in place to detect and prevent tax refund fraud. Working with other states and tax preparation vendors, the Department looks for troubling fraud patterns in an effort to enhance our robust fraud detection procedures. We continue to do our best to thwart criminals and get you your money as soon as possible.

Should I just wait and file my return later?

It actually is more important than ever that you file early. If a criminal has stolen your personal information, the criminal will try to use it to file your return before you do. Your legitimate return is our best defense against tax fraud.

Is it safe to file online?

Filing online is still far superior to filing a paper return. Electronic filings allow us to quickly and accurately process your refund. There is no evidence that filing online is causing identity theft. Right now it

appears more likely that the current flurry of tax refund fraud is connected to well-publicized data breaches outside the tax world.

You should always make certain that any online transaction involving your personal information is secure. Tax preparation vendors that use best practices, such as requiring multiple methods of identification before you can access your account, provide better protection. Many taxpayers are entitled to “e-file” for free, and are also eligible for free tax preparation, including filing online, from trusted partners such as AARP and the United Way. Consult the Individuals section of our website for more information at <http://tax.vermont.gov/individuals>.

What happens if a refund has already been issued using my Social Security Number?

We will work with you to get your refund as soon as possible, but extra steps will be needed in these situations. That is why it is so important to us to stop fraudulent refunds in the first place in order to spare you this victimization. We are proud of our track record in stopping fraud. However, if you find that one of today’s sophisticated criminals has managed to file a Vermont return posing as you, contact us immediately at 802-828-2865 or 866-828-2865 (toll-free).

More Information

For more information about how to prevent identity theft and tax fraud as well as what to do if you become a victim, visit the following websites:

- **Vermont Department of Taxes**
<http://tax.vermont.gov/help-and-resources/identity-theft-and-fraud>
- **IRS**
<http://www.irs.gov/uac/Taxpayer-Guide-to-Identity-Theft>
- **Vermont Attorney General**
<https://www.uvm.edu/consumer/?Page=idtheft.html>
- **Federal Trade Commission**
<http://www.consumer.ftc.gov/features/feature-0014-identity-theft>



Disclaimer: This fact sheet is intended to provide an overview only. Vermont tax statutes, regulations, Vermont Department of Taxes rulings, or court decisions supersede information provided in this fact sheet.

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