



State of Vermont
Department of Taxes
133 State Street
Montpelier, VT 05633-1401

Agency of Administration

For Immediate Release

Contact: Lynette Kemp, Lead Tax Education Specialist
Vermont Department of Taxes
802-828-2502

Vermont Department of Taxes Implements New Measures to Prevent Fraud

Montpelier, Vt., Jan. 19, 2016—The Vermont Department of Taxes will start accepting personal income tax returns today, the same time as the IRS. Taxpayers should be aware that the department is implementing new measures to combat personal income tax fraud for the 2016 tax filing season, and that they may experience delays in receiving their refunds.

The department has experienced a sharp rise in attempted tax refund fraud, an alarming trend that mirrors what is happening in other states and at the federal level. Rings of criminals nationwide and even internationally are using stolen credentials, including Social Security numbers, to falsely claim refunds. A legitimate taxpayer who is victimized in these criminal plots can face significant delays in receiving a refund. The department is taking new steps this year to better identify and prevent fraud and maintain the integrity of Vermont's tax administration.

The department has teamed with the IRS, other states and tax preparation software vendors in a Security Summit that will result in enhanced scrutiny and verification of returns (<https://www.irs.gov/Individuals/Taxes-Security-Together>). Taxpayers will see some of the changes. For example, when filing online, your software vendor may ask security questions and take other precautions to verify your identity. You will be asked to provide your driver's license or state-issued identification card number with your online return. You may receive a refund check even if you requested a bank or debit card deposit.

In the background, the department will be using even more sources of data to analyze both paper and online returns to stay ahead of the ever-evolving criminal schemes to steal taxpayer money. The department may hold some returns until it receives W-2 withholding reports from employers, which are not due until Feb. 29. All of these steps are necessary to ensure that a criminal does not hijack a tax refund in your name.

“The Tax Department has become a cybercrime fighting agency. Our staff members work very hard to detect and stop fraud. From 2013 to 2015, we prevented more than \$3 million of Vermont taxpayer dollars from leaving the state and falling into the hands of criminals,” said Tax Commissioner Mary Peterson. “But the criminal schemes preying on the refund process are ever- changing and require even more precautions. We encourage taxpayers to file early, to beat criminals to the punch, but with the understanding that some delay in refunding will be unavoidable to protect taxpayer money.”

-more-





State of Vermont
Department of Taxes
133 State Street
Montpelier, VT 05633-1401

Agency of Administration

The most efficient and secure way to file Vermont tax returns continues to be electronic filing through vendor software, and direct deposit to your existing bank account is the fastest way to receive a refund. Eligible taxpayers are entitled to free online filing through Free File, as explained on the department's website at www.tax.vermont.gov. Taxpayers who e-file for their refunds generally receive refunds more quickly than those who file paper forms.

For more information on tax refund fraud, including how to prevent it and how to report it, visit the department's website at www.tax.vermont.gov.

###



