



News Release

Media Relations Office

Washington, D.C.

Media Contact: 202.317.4000

www.irs.gov/newsroom

Public Contact: 800.829.1040

Frivolous Tax Arguments Completes the IRS “Dirty Dozen” List of Tax Scams for the 2015 Filing Season

IR-2015-23, Feb. 6, 2015

WASHINGTON – The Internal Revenue Service today wrapped up its 2015 “Dirty Dozen” tax scams list by warning taxpayers against using frivolous tax arguments to avoid paying their taxes.

The IRS today also released the [2015 version](#) of “The Truth about Frivolous Tax Arguments.” The 69-page document describes and responds to some of the common frivolous tax arguments made by those who oppose compliance with federal tax laws. Examples include contentions that taxpayers can refuse to pay taxes on religious or moral grounds by invoking the First Amendment. The cases cited in the document demonstrate how frivolous arguments are treated by the IRS and the courts.

“The IRS and the courts hear many arguments to avoid filing returns or paying taxes” said IRS Commissioner John Koskinen. “Taxpayers should be on the lookout for scam artists and scheme promoters peddling outlandish arguments.”

Compiled annually, the “Dirty Dozen” lists a variety of common scams that taxpayers may encounter anytime but many of these schemes peak during filing season as people prepare their returns or hire someone to help with their taxes.

Illegal scams can lead to significant penalties and interest and possible criminal prosecution. IRS Criminal Investigation works closely with the Department of Justice (DOJ) to shutdown scams and prosecute the criminals behind them.

Debunking Frivolous Tax Arguments

“The Truth about Frivolous Tax Arguments” describes and responds to some of the common frivolous tax arguments made by those who oppose compliance with federal tax laws. The cases cited demonstrate how frivolous arguments are treated by the IRS and the courts. The 2015 version includes numerous recently-decided cases that demonstrate that the courts continue to regard such arguments as illegitimate.

Examples of frivolous arguments also include contentions that “employees” subject to federal income tax are employees of the federal government; and that only foreign-source income is taxable.

Don’t Get Talked into Using a Frivolous Argument

Promoters of frivolous schemes encourage taxpayers to make unreasonable and outlandish claims to avoid paying the taxes they owe. These arguments are wrong and have been thrown out of court. While taxpayers have the right to contest their tax liabilities in court, no one has the right to disobey the law or disregard their responsibility to pay taxes.

The penalty for filing a frivolous tax return is \$5,000. The penalty applies to anyone who submits a purported tax return or other specified submission, if any portion of the submission is based on a position the IRS identified as frivolous in Notice 2010-33, 2010-17 I.R.B. 609 or reflects a desire to delay or impede administration of the tax laws. Those who promote or adopt frivolous positions also risk a variety of other penalties. For example, taxpayers could be responsible for an accuracy-related penalty, a civil fraud penalty, an erroneous refund claim penalty, or a failure to file penalty. The Tax Court may also impose a penalty against taxpayers who make frivolous arguments in court.

Taxpayers who rely on frivolous arguments and schemes may also face criminal prosecution for attempting to evade or defeat tax. Similarly, taxpayers may be convicted of a felony for willfully making and signing under penalties of perjury any return, statement, or other document that the person does not believe to be true and correct as to every material matter. Persons who promote frivolous arguments and those who assist taxpayers in claiming tax benefits based on frivolous arguments may be prosecuted for a felony.