



IRS Nationwide Tax Forum | 2023

Identity Protection

Objectives

By the end of the presentation, you will:

- Understand what is an IP PIN.
- Know how to join the IP PIN Program.
- Understand how to obtain an existing IP PIN.
- Recognize the signs of tax-related identity theft.
- Know how to report tax-related identity theft.
- Know how the IRS resolves tax-related identity theft.

Identity Protection PIN (IP PIN)

- A six-digit number assigned to individuals to help prevent identity thieves from filing a fraudulent federal tax return.
- An IP PIN helps us verify taxpayers' identities and accept their electronic or paper tax returns for processing.
- Prevents someone else from filing a tax return using your client's Social Security number (SSN) or Individual Taxpayer Identification Number (ITIN).
- Protects your client's account even after they no longer have a filing requirement.

Participating in the IP PIN Program

- All individuals are eligible to participate in the program.
- Clients who were victims of tax-related identity theft are automatically enrolled to prevent future identity theft.
- Other clients may voluntarily participate in the program.
- Currently, once enrolled in the program, there is no option to opt out of the program.

How to Join the IP PIN Program

There are three ways to join the program:

1. Online through Get an IP PIN tool.
2. By mail using Form 15227, *Application for an IP PIN*.
3. By appointment at a Taxpayer Assistance Center (TAC).

Online Through the Get an IP PIN Tool

- Fastest, easiest and preferred way to join.
- Located online at [IRS.gov/IPPIN](https://www.irs.gov/ippin).
- If you don't have an IRS.gov account, you must create one and validate your identity.
- IP PIN is immediately displayed after logging into the tool.
- Log in anytime to display the IP PIN.

Form 15227, Application for an IP PIN

- Mail-in option to join the program for clients who cannot validate their identity online.
- For clients whose adjusted gross income (AGI) on their last filed return is equal to or below \$73,000 for individuals or \$146,000 for married filing joint.
- Clients must have access to a telephone.
- IRS assistor may call client to validate their identity.
- IP PIN will be mailed to the client after validation.

Taxpayer Assistance Center (TAC)

- In-person option to join the program.
- For clients whose AGI is above Form 15227 requirements and cannot validate their identity online.
- Clients must call the TAC appointment line to schedule an appointment at their local TAC.
- Clients must provide two forms of ID to verify their identity during the appointment.
- IP PIN will be mailed to the client after validation.

Important Information about IP PIN

- IP PIN is valid for the calendar year.
- A new IP PIN is generated each year for security reasons.
- New IP PINs are mailed to clients starting in mid-December.
 - ❖ Important to keep clients' addresses updated.
- Clients who joined online need to retrieve their new IP PIN starting in mid-January.
 - ❖ A notice will not be sent.

Client Already Enrolled in Program?

- Some clients may not know they have an IP PIN due to an identity theft issue.
- IP PIN is not sent if their address cannot be confirmed.
- Clients can use the Get an IP PIN tool to get their current year IP PIN.
- You or your client can call our toll-free number to request their IP PIN be sent to their address.

Common Electronic Filing Reject Codes

- Primary Taxpayer
 - ❖ IND-180-01 – IP PIN entered did not match our records.
 - ❖ IND-181-01 – A valid IP PIN was not entered.
- Secondary Taxpayer
 - ❖ IND-182-01 – IP PIN entered did not match our records.
 - ❖ IND-183-01 – A valid IP PIN was not entered.
- Dependent(s)
 - ❖ IND-995 – IP PIN entered did not match our records.
 - ❖ IND-996 – A valid IP PIN was not entered.

What is Tax-Related Identity Theft?

- Tax-related identity theft happens when someone steals personal information such as a Social Security number to file a fraudulent tax return or to claim a refund or credit.
- In addition, other federal benefits that rely on the tax return information can be impacted, such as Social Security benefits, student loans opportunities, Medicare, etc.

Signs of Tax-Related Identity Theft

- An electronic return was rejected by the IRS because another return has been filed.
- Your client received a letter from the IRS indicating a return was received that was not filed by your client or that an issue was identified with a previously filed tax return.
- Your client received a notice from the IRS regarding wages not reported on their return, but your client did not earn the wages in question.

More Signs of Tax Related Identity Theft

- Clients did not receive a credit they are entitled to such as the Economic Impact Payment (EIP) or Advance Child Tax Credit.
- Clients received a refund without filing a tax return.
- An amended return was filed in their name without their knowledge or consent.

Reporting Tax-Related Identity Theft

- Report tax-related identity theft by submitting Form 14039, *Identity Theft Affidavit*.
 - ❖ Complete separate forms for each taxpayer, including any dependent(s), impacted by identity theft.
- Methods to file Form 14039:
 - ❖ Mail or fax.
 - ❖ Federal Trade Commission webpage (www.identitytheft.gov).

What Happens When Tax-Related Identity Theft Takes Place?

- IRS must determine who the victim is and take actions necessary to adjust their account to correct tax information.
- A letter will be sent to the client indicating actions have been completed.
- An identity theft indicator is placed on the account which automatically enrolls them into the IP PIN Program.

NOTE: we recommend at the first sign of any issue that the taxpayers obtain an IP PIN for themselves and any dependents impacted by the identity theft.

Current Trends

- Tax fraud has grown significantly over the last few years.
- Much of the tax fraud is being perpetrated by organized crime or through promoters.
- Dependents are impacted by being reported on another return as a dependent or as a taxpayer on a separate return.
- New credits, provided by legislation, are commonly used as part of the fraudulent returns.
- Increase in data breaches.