



## COMMON TAX SCAMS

- **No Taxes Being Taken Out of Your Wages.** Unless you are an independent contractor, or self-employed, your employer must take taxes out of your paychecks. It is illegal for an employer not to.
- **“I Don’t Pay Taxes – Why Should You?”** Some people run ads saying that they don’t pay taxes. They offer to share their “secret” for a fee. Many of these people actually do file and pay taxes, but don’t publicly admit it. Anyone who fails to file or pay taxes can be subject to civil and/or criminal penalties.
- **African Americans Get a Special Tax Refund.** Thousands of African Americans have been misled by people offering to file (for a fee) to get tax credits or refunds as reparations for slavery. There is no tax law which allows such refunds. Taxpayers who file such claims may be subject to a penalty.
- **Social Security Tax Scheme.** This scam charges taxpayers a fee to claim a refund of all social security taxes paid. The law does not allow such a refund.
- **Pay the Tax, Then Get the Prize.** A caller says you have won a prize and all you have to do to get it is to pay the income tax due. Most prizes are taxable, but no honest contest makes you pay the tax before getting the prize.
- **Untax Yourself for \$49.95.** Some ads say that paying taxes is “voluntary”. The tax system is largely voluntary. But if you don’t file and pay voluntarily, the IRS **can** collect taxes by garnishing wages and putting liens against property. Following the advice in “untax packages” can get you civil and/or criminal penalties.
- **“I Can Get You a Big Refund – for a Fee!”** Refund scammers may try to “borrow” your social security number or the numbers for your children. They may also give you a phony W-2 so that it seems you should get a bigger refund. **Never** let anyone use your social security number or your children’s. **Never** use a false W-2 form. When the IRS catches you, you must pay back all the money, plus interest and penalties. You could be charged with a crime. Anyone who promises you a bigger refund without knowing your tax situation could be misleading you.
- **NEVER** sign a tax return without looking it over to make sure it is honest and correct. If you have questions, ask your tax preparer. Explaining the tax return to you is part of their job.
- If you pay someone to do your taxes, **ALWAYS** make sure the preparer signs your tax return. It is misdemeanor for paid preparers to not sign a return.



To find other Legal Aid Society materials, including any fact sheets mentioned in this document, go to [www.lawhelpmn.org/LASMFactsheets](http://www.lawhelpmn.org/LASMFactsheets)

*Minneapolis Legal Aid – CLE  
MN Legal Services Coalition  
2324 University Avenue W. - Suite 101B  
St. Paul, MN 55114*

*Don’t use this fact sheet if it is more than 1 year old.  
Write us for updates, a fact sheet list, or alternate formats.  
Fact Sheets aren’t a complete answer to a legal problem.  
See a lawyer for advice.*

© 2012 Mid-Minnesota Legal Assistance. This document may be reproduced and used for non-commercial personal and educational purposes only. All other rights reserved. This notice must remain on all copies. Reproduction, distribution, and use for commercial purposes are strictly prohibited.

**For More Help Go to [www.LawHelpMN.org](http://www.LawHelpMN.org)**