2026 National Income Tax Workbook

CHAPTER 9: IRS ISSUES



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Major Topics

Simplified Penalty Relief
Executive Order 14247
IRS Voluntary Disclosure Practice
Tax Pro Account
IRS Central Authorization File (CAF)
Maintaining CAF Authorizations
Tax Scams

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LEARNING OBJECTIVES

- ✓ Understand when a taxpayer is eligible for new simplified penalty relief
- ✓ Explain the new transition to digital payment methods under Executive Order 14247
- ✓ Know how taxpayers send and receive digital payments
- ✓ Know how taxpayers can participate in the IRS Voluntary Disclosure Practice

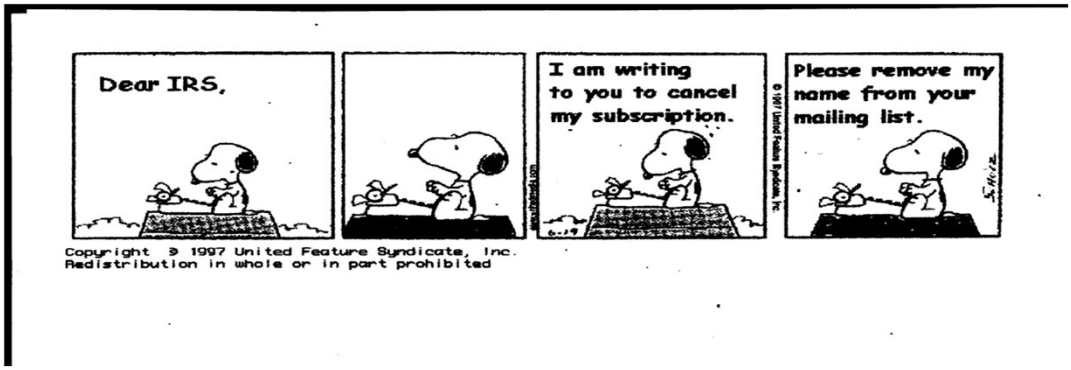
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LEARNING OBJECTIVES

- ✓ Use a Tax Pro Account
- ✓ Understand the IRS Central Authorization File
- ✓ Request current CAF authorizations
- ✓ Recognize common tax scams
- ✓ Know how to report tax scams

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A Solution to IRS Issues?



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Simplified Penalty Relief

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Automatic Exemption from Penalty (AEP)

- **Administrative penalty waiver**
- Penalties waived for taxpayers with a **history of compliance**
- Eligible original returns beginning with tax year 2025
- 2026 and later quarterly returns

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Eligible Taxpayers: Compliance History

- **Timely filed the same type of original return (3 years or 12 quarters)**
- No penalty (other than estimated) assessed, or penalty abated
- Business taxpayers no waiver failure-to-deposit, no penalty for EFTPS avoidance

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Types of Return Series Eligible

- 1040, 1065, 1120
- 940, 941, 943, 944, 945, CT-1
- Not event based – 706, 709

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Automatic Relief

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IRS automatically applies after processing

Sends notice to the taxpayer

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Eligible Penalties

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- Failure-to-file
- Failure-to-pay
- Failure-to-deposit
- Unpaid tax, interest or other penalties not subject to AEP relief

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First-Time Abate (FTA) Phased Out

- IRS phasing out FTA
- AEP will replace FTA eligible returns with original due dates on or after 1/127
- Note – FTA continues to apply for prior returns

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Penalty Relief Ordering

AEP applied first

For taxpayer with reasonable cause defense, impacts future eligibility for AEP

Form 843 Claim for Refund and Request for Abatement

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Reasonable Cause Relief

Good faith and not with willful neglect

Ordinary business care and prudence but unable to comply

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Executive Order 14247

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Executive Order 14247

- To improve efficiency, cut costs, and **prevent fraud**, EO 14247 mandates the Treasury to **stop issuing paper checks**, effective **September 30, 2025**
- Applies to **all federal disbursements**: intragovernmental, benefit, vendor payments, and **tax refunds**
- **Certified** payments and a **limited** number of paper checks continue where **no alternative** exists

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Payments to the Government

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- **Tax balances due**
- **Fees and penalties**
- Other payments from individuals, businesses, nonprofits, and state and local governments

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Directives: Transition to EFT

- Treasury must **cease issuing paper checks** for all disbursements
- Departments and agencies must move to **electronic funds transfer (EFT)**: direct deposit, prepaid card accounts, and other digital options
- With limited exceptions, they must **enroll recipients** in EFT payments

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Directives: System and Lockbox Changes

- **Eliminates** the need for Treasury's physical **lockbox** services and expedite electronic receipt of payments
- Transition to **centralized payment system**: direct deposits, debit and credit card payments, digital wallets, real-time payments, and other options

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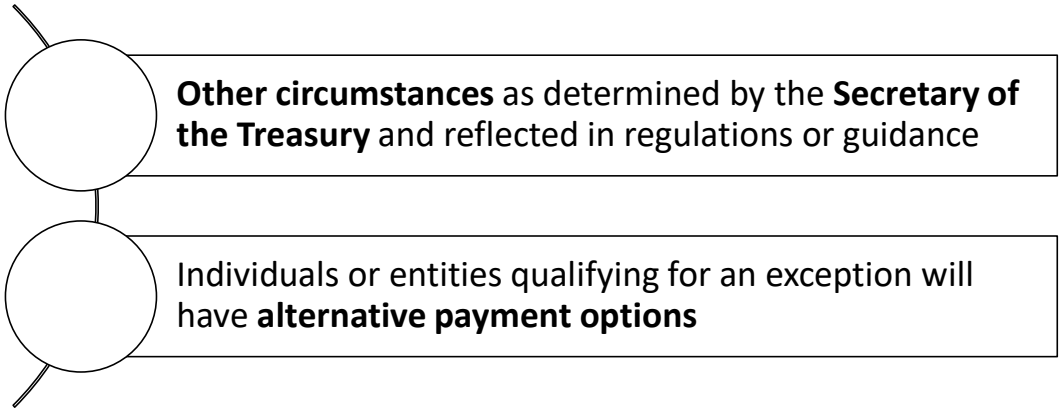
Exceptions to Electronic Payment

- Individuals **without access** to banking services or electronic payment systems
- Certain **emergency payments** where electronic disbursement would cause **undue hardship**
- **National security or law enforcement** activities where non-EFT transactions are **necessary or desirable**

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Exceptions (continued)



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Practitioner Note: Deceased Taxpayers and Trusts

The IRS will continue to accept and issue paper checks for deceased taxpayers

The IRS will also accept paper checks from **trustees** who **lack electronic systems**, under the exception for **hardships and/or legal and procedural requirements**

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Parties With a Bank Account

To set up electronic payments:

- **Call the paying federal agency** (list at GoDirect.gov)
- **Call** the Electronic Payment Solution Center at **800.967.6857**, Monday to Friday, 9 a.m. to 7 p.m. ET
- **Enroll in direct deposit** online, by phone, or by mail (**GoDirect.gov**)

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Unbanked Parties

- Access resources to **open an account** at **FDIC.gov/GetBanked** or **MyCreditUnion.gov**
- Alternatively, sign up for a **Direct Express debit card**, a Treasury-sponsored card for electronic monthly benefit payments
- Enroll by calling Treasury's **Electronic Payment Solution Center** or the **paying agency** directly

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Practitioner Note: Scams

- If a taxpayer omits direct deposit information on a return, the IRS will **not** ask for banking information by **phone or text**, only by **mail**
- Always **verify** any request by contacting the agency through an **official website or phone number**, not the requester's link or number

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Electronic Payment Methods (No Fee)

- **IRS individual online account**
- Using **IRS Direct Pay** (direct from a bank account)
- **Electronic Funds Withdrawal (EFW)** through e-file/e-pay when filing electronically
- **IRS2Go** mobile app

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Electronic Payment Methods (Other)

- Pay by **card or digital wallet** (such as PayPal) through IRS.gov/Payments (**processor fee**)
- Apply for an **online payment agreement** at IRS.gov/OPA
- Pay by **phone** through designated providers (**processor fee**)

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Practitioner Note: EFTPS

EFTPS for Individuals is being phased-out

Individual transition to **IRS online account** or **IRS Direct Pay**

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Cash Payments

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- Taxpayers may pay by **cash**, with **limits** and a **fee** (unless paid at a **Taxpayer Assistance Center** scheduled **30 to 60 days** in advance)
- Cash payments through IRS service partners with **Vanilla Direct** qualify as **electronic** payments

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Refunds: Providing Bank Information

- Taxpayers with a bank account provide **direct deposit** information on the return
- If **no** banking information is included, the IRS issues **Notice CP53E** to the last known address

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Refunds: Providing Bank Information

- The notice gives **30 days** to add or update an account, or explain why the information **cannot** be provided
- **"Where's My Refund"** shows related messaging; the IRS will **not** request bank info by **phone or text**

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Refunds: One Opportunity

- There is only **one opportunity** to add or update bank information in the online account
- If **incorrect** account information causes the bank to **reject** the deposit, the IRS issues a **paper check**

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Observation: Notice CP53E

For the **2025 filing season**, more than **10,000,000** taxpayers received a refund by **paper check**

As of **March 24, 2026**, the IRS had sent **1,400,000 CP53E** notices

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Business Tax Returns

- **No change** to business tax filing procedures
- Business taxpayers generally must make **payments electronically** and receive **refunds electronically**
- IRS accepts **checks** when electronic methods are **unavailable** for a transaction type, or in situations involving **hardships** and/or **legal and procedural** requirements

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Business Electronic Payment Methods

- **Debit/credit card** (with fee)
- **Digital wallet** (processor fee)
- **Direct Pay** (no fee)
- **IRS business tax account** (no fee)
- **EFTPS** (no fee)

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Federal Tax Deposits (FTD)

- Businesses **cannot** make a federal tax deposit by **credit card**
- An FTD must be made **electronically** through the **business tax account**, **Direct Pay for businesses**, or **EFTPS**
- **Penalties** apply if deposits are not electronic, unless the taxpayer shows **reasonable cause**

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International Taxpayers

- The IRS is **expanding** services to new countries and exploring **cross-border** payment solutions
- Until new methods exist, **wire transfers** remain available

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International Taxpayers: Direct Deposit Requirements

- To request **direct deposit**, a taxpayer needs a **U.S. account** (a Federal Reserve System member) or a **correspondent bank** that maintains an account at a **Federal Reserve Bank**
- Without a U.S. account, the IRS **mails a refund check** to the address on the return

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Third-Party Payers

- Third parties paying on behalf of others are **expected to use electronic** methods
- Some, including **tax professionals**, can use the **EFTPS Batch Provider tool** (www.eftps.gov) for multiple client payments
- Taxpayers may also use the tool for payments across **several businesses**

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IRS Voluntary Disclosure Practice

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IRS Voluntary Disclosure Practice (VDP)

- The **VDP** lets taxpayers with potential **criminal tax exposure** self-correct past failures and **avoid criminal prosecution**
- In **December 2025**, the IRS proposed **revisions** and opened a 90-day comment period, ending **March 22, 2026**
- If finalized, the revised procedures take effect **6 months after** publication

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Current VDP: Who It's For

- Others correcting **errors or mistakes** should file **amended or past-due returns** instead
- Disclosure does **not guarantee immunity**; the IRS weighs it with other facts in deciding whether to recommend prosecution

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Current VDP: Scope

- Mitigates **criminal tax exposure** for prior-year returns, whether **filed or not**, when the taxpayer **voluntarily reports** noncompliance
- Available for **income, employment, estate and gift tax**, and **foreign income and reporting**
- Open to **individuals** (citizens, permanent residents, nonresident noncitizens, expatriates) and **entities** (corporations, partnerships, LLCs, trusts, estates)

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Current VDP: Illegal-Source Income Excluded

- A taxpayer with unreported income from **any illegal source cannot** use the VDP
- Income from activities **legal under state law but illegal under federal law** is treated as **illegal-source income**

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VDP Requirements: The Application

A **two-part electronic application** on **Form 14457**:

- **Part I:** preclearance to determine **eligibility**
- **Part II:** determination of **preliminary acceptance**

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VDP Requirements: Taxpayer Obligations

Provide a **truthful, timely, and complete** disclosure of willful noncompliance

Timely submit all documentation, including **Form 2848** (Power of Attorney) for each taxpayer and entity

Cooperate with the IRS in determining the correct liability

Pay in full or secure a **full-pay installment agreement** for tax, interest, and penalties

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Timely Disclosure

A disclosure is **timely** if the IRS receives it **before** it:

- Begins a **civil exam** or **criminal investigation**
- Receives **third-party information** (informant, agency, John Doe Summons) on the noncompliance
- Acquires related information from a **criminal enforcement action** (search warrant, grand jury subpoena)

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Cooperation with the IRS

Cooperation includes:

- Promptly and fully **responding to information requests**
- Submitting to an **interview** and providing access to **related-party witnesses**
- Providing **statute extensions or waivers** when requested

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Cooperation with the IRS

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Cooperation includes (cont'd):

- Providing **signed delinquent or amended returns** and related documents for the disclosure period (**generally 6 years**)
- Giving **unrestricted instructions** to foreign banks for full records (offshore cases)
- **Resolving all** compliance matters in the agreement
- **Full payment** of taxes, interest, and penalties, or an approved payment agreement

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Future Compliance

Taxpayers must **comply in all periods after** the disclosure period and file returns according to existing requirements

Failure to remain compliant may cause **revocation** of preliminary acceptance and **possible criminal prosecution**

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Disclosure Period: The 6-Year Rule

- Voluntary disclosures generally cover a **6-year period**, with civil exams of the **6 preceding tax years**
- Determined by returns filed or required to be filed (with extensions) as of the **Form 14457, Part II** submission date
- A return filed **during** an extension but **before** the extended due date is treated as filed on the **due date**

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Disclosure Period: Three Exceptions

- If the taxpayer **does not cooperate** in the civil exam, the examiner may include the **full duration** of noncompliance and assert **maximum penalties** (with managerial approval)
- If noncompliance spans **fewer than 6 years**, only the **noncompliance period** is included
- With **IRS review and consent**, a cooperative taxpayer may **expand** the disclosure period

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Income Tax Penalties

With full compliance and cooperation

- **civil fraud** or **fraudulent failure-to-file** penalty applies to **at least 1 year**

This **single fraud penalty** replaces **accuracy-related** and **delinquency** penalties

Estimated tax penalties are **unaffected**

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The VDP Process: 4 Steps

Submit **Part I** of Form 14457 to **IRS-CI**

↓

Submit **Part II** after IRS-CI **preclearance**

↓

Civil examination of delinquent or amended returns

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Payment of all taxes, interest, and penalties

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Practitioner Note: Joint Returns

If the disclosure period includes **joint returns**

- **Spouses** must determine whether noncompliance applies to **one or both**

If **both** were willful, **both** should apply

If **only one** was willful, the **willful spouse** or **both** may apply

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Proposed VDP Procedures

In **December 2025**, the IRS issued **proposed changes** to the VDP

The proposal covers the **penalty framework**, **timing** for filing and payment, and the **overall process**

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Proposed Penalties: A New Framework

Instead of penalizing only the **highest tax year**, penalties would apply **throughout the disclosure period**

Delinquent returns: the **failure-to-file** penalty applies **each year**, but **failure-to-pay** penalties do **not**

Amended returns: a **20% accuracy-related** penalty applies **each year**

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Proposed Penalties: Foreign Reporting

Delinquent or amended FBARs: penalties apply **per year**, subject to **annual inflation adjustments**

Delinquent or amended international information returns: penalties up to **$10,000 per return, per year**

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Proposed VDP Process

Taxpayers submit **Form 14457 electronically**

The disclosure must identify **all years** of noncompliance and give a **full, detailed, accurate** description of the **willful** noncompliance **before** initial approval

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Proposed Process: Conditional Approval

IRS issues a **conditional approval letter** directing the taxpayer to **file** required returns and **pay** all amounts due within **3 months**

The IRS may **rescind** approval for noncompliance

Noncompliant taxpayers may face a **full examination** and **all applicable civil and criminal penalties**

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Proposed Filing and Paying: The 3-Month Rule

Within **3 months** of conditional approval, taxpayers must:

- File all **amended or delinquent** returns and reports
- **Pay in full** all taxes, penalties, and interest
- Execute an **agreement** to finalize participation

*Taxpayers who **cannot pay in full** within **3 months** of clearance are **not eligible** to participate in the proposed VDP*

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IRS Tax Pro Account

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IRS Tax Pro Account

- **Manage authorizations** for clients
- **Link or request** individual Central Authorization File (**CAF**) numbers
- **View taxpayer information**, such as **balance due activity** and **audit status**
- Anyone with a **CAF number** can create an account

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Practitioner Note: Hours of Service

- **Monday 6 a.m. ET** to **Saturday 9 p.m. ET**
- **Sunday 10 a.m. to midnight ET**
- Occasionally **down for maintenance**

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Services

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- **Request** a Form 2848 (POA) or Form 8821 (TIA) from individual clients with a **U.S. address** and an **IRS online account**
- **View the status** of a POA or TIA request
- **Link** the account to an individual or business **CAF number**

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Services

- **View** an individual or business taxpayer's information for authorized forms and periods
- **View active CAF authorizations** when a CAF number is linked
- **Withdraw** active authorizations in **real time**

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Practitioner Note: Business Tax Accounts

- In **2026**, the IRS expanded the **business tax account** to **partnerships**; **federal, state, and local governments**; **Indian tribal governments**; and **tax-exempt organizations**
- Eligible users can view balances, make payments, review payment history, and view certain transcripts online

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Tax Pro Accounts for Tax Firms

- In **2026**, the IRS added **entity-level capabilities** for professionals in **tax prep companies, accounting firms**, and other organizations

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New Firm Capabilities

Firm access allows them to:

- **Manage business CAF access**, specifying which **employees** are authorized to act under the business CAF
- **Link** the business CAF number to the entity's **EIN**
- **View** taxpayer information tied to the business CAF
- **View and withdraw** active CAF authorizations

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The Designated Official (DO)

- The firm's **designated official** links the **business CAF** to the firm's **EIN** in the business tax account and **authorizes** who may act for the firm
- The DO must **immediately update access** as employees join or leave, to meet **data security standards** and **Circular 230** obligations

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Individual Requirements

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- Each person in the firm must have their **own active individual Tax Pro Account** and an **individual CAF number in good standing**
- Designating who can access information through the **firm's** account **eliminates** the need to list all names on authorization forms

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Accessing Tax Pro Account

- Practitioners access it via a link at **irs.gov/tax-professionals/tax-pro-account**
- Choose **"Sign in with an existing account"** or **"ID.me create an account"**
- The "existing account" is an existing **ID.me** account; the same sign-in works if one was set up for an individual tax account
- Without one, the practitioner must **create** an ID.me account

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What is ID.me

ID.me is a **digital identity wallet** that simplifies proving identity online

An account is available only to individuals **18 or older**

One account works across **20+ federal** agencies and **44 state** agencies

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Agencies Using ID.me

Federal agencies include the **Social Security Administration, VA, Commerce, Labor, USPTO**, and the **Treasury (and IRS)**

The IRS **requires** ID.me for the **Tax Pro Account**, individual and business online tax accounts, **online payment agreements**, and the **IP PIN** tool

27+ states use it for unemployment claims, and some for **tax filings, motor vehicle services**, and assistance programs

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Creating an ID.me Account

An account can be created through **online verification** or a **video call**

Once verified, the credential can be **reused** at all participating agencies

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Online Verification Process:

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1. Select **"Sign in with ID.me"** on the agency site and create an account with **email and password**; set up **multi-factor authentication**
2. Submit **front and back** pictures of an identity document (driver's license, state ID, or passport)
3. Take and upload a **video selfie or photo** matching the ID

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Online Verification Process (cont'd):

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4. Enter the correct **Social Security number**, if required, and **review** all information
5. Select **"Allow"** to authorize ID.me to **securely share** the verified identity information

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Video Call Verification

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If online verification **fails** or is preferred, a virtual in-person session is used:

- **Schedule** a video call with an **ID.me Trusted Referee** via "Sign in with ID.me"
- During the call, **present identification documents** by video to verify identity

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Updating ID.me

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- Add or change a **business or personal email** by logging in and selecting **"My Wallet"**
- Under **"Manage Full Profile,"** choose **work or personal** and enter the new email
- ID.me sends a **confirmation email** requiring a response to verify

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IRS Central Authorization File (CAF)

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IRS Central Authorization File (CAF)

A unique **9-digit number** the IRS assigns to tax professionals and third parties, where valid **power of attorney** authorizations are recorded

Lets the IRS **verify** the extent of a representative's authority to act for a taxpayer and to **receive confidential tax information**

Also used to **track requests** for client information such as transcripts

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Obtaining a CAF Number

Assigned when an individual or business files its **first POA or TIA**, or on request through a **Tax Pro Account**

The IRS issues a **CP547 Notice** when assigning the number

The IRS **prefers one CAF number**, but multiple are allowed for those representing **several firms** or wanting **separate office addresses** for routing

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Lost CAF Number

- Call **Practitioner Priority Services (PPS)** at **866.860.4259**
- PPS verifies identity and provides the number by phone; if identity **can't be verified**, the IRS **mails** it to the address on file

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Practitioner Note: CAF Security

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- The CAF number is **personally identifiable information** to keep secure
- A scammer could use a compromised CAF to file a **fraudulent authorization form** and access taxpayer data
- When a representative calls, the IRS requests the **CAF number and personal information** (including SSN) to authenticate identity

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Reasons for Review of CAF

- Suspension may **not** result from the holder's actions
- A CAF can be compromised if it appeared on a document **properly shared** with a client or third party who then had a **data breach**
- A **legitimate, uncompromised** CAF number may still be suspended pending review

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Notification of CAF Suspension

- **Contacting the IRS** about a client and being told their authority **cannot be verified** (no further information given, for privacy)
- Receiving a **mailed letter**, generally from **IRS Criminal Investigation (CI)**, that the CAF is under review

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Responding to a CAF Suspension

- The letter asks the practitioner to **verify identity** with a **notarized document**, sent within **30 days** to the designated email box
- The IRS then **verifies client listings**; if there are **unauthorized** listings, it assigns a **new CAF number** and moves clients to it
- The compromised number is coded **"C" for Canceled/confirmed compromised**, and access attempts with it **fail**

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Linking a CAF Number to Tax Pro Account

- To view taxpayer information and active authorizations, the practitioner **links a CAF number** via **Account Profile → "Link a CAF number"**
- Request a **PIN** ("individual" or "business"); the IRS **mails** it within **1 to 2 weeks** to the CAF address
- The PIN is valid **30 days**, usable **once**; the practitioner signs in and enters it

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Viewing Authorizations

Once linked, active authorizations appear under **"View Taxpayers."**

An authorization may **not** be listed if:

- A Tax Pro Account request was **not approved**, or an outside submission is **not yet processed**
- The taxpayer **revoked** it, the practitioner **withdrew** it, or a **new authorization superseded** it
- It is a **specific-use** POA or TIA

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When Authorizations Purge or Expire

- POAs and TIAs **auto-purge 7 years** from the taxpayer's signature date
- **Student/law graduate** authorizations last only **130 days**; **estate tax** authorizations purge at **15 years**
- Authorizations **expire at death** and are marked **“deceased”** or removed

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Updating Information in CAF

- An **address change** with the IRS must also be updated in the CAF by submitting a new **Form 2848 or 8821**
- A **name change** with the SSA or IRS must likewise be updated on a new **Form 2848 or 8821**

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Maintaining CAF authorizations

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Maintaining CAF Authorizations

- To enhance **Circular 230** compliance, practitioners should keep a **current list** of all CAF authorizations and **cancel unnecessary** ones
- The list is available through a **linked Tax Pro Account** or by submitting a **CAF77 request** under the **Freedom of Information Act (FOIA)**

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Circular 230

- Routinely reviewing authorizations and **withdrawing** them when an engagement ends supports **confidentiality** obligations and **data safeguard** rules
- **§ 10.35:** a practitioner must have necessary **competence**, including **technological competency**
- **§ 10.51(a)(15):** willfully disclosing or improperly using tax return information is **disreputable conduct**

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Authorizations Persist Until Removed

A **Form 2848 or 8821** stays in effect until the taxpayer **revokes** it, the representative **withdraws** it, or the IRS **removes** it under its retention schedule

An authorization kept **beyond when needed** increases the risk that a **cyberthief** could misuse it

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Getting an Active Authorizations List

Tax Pro Account (linked to the CAF): the opening page's **"View Taxpayers"** link immediately lists **all** active authorizations, not just those created in the account

FOIA "CAF77" request, online or by mail/fax; once approved, the IRS provides a list of **all authorizations** linked to the CAF number

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Online CAF77 Request: FOIA

- **IRS FOIA Public Access Portal**:
- Select **"Submit FOIA Request,"** then **"Sign in with ID.me"** or **"Create an Account"**
- After signing in, select **"Submit Request"** from the top menu

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Online CAF77 Request: Completing It

- Enter the **address**, request type (**FOIA**), category (**Other** for CAF), and description (**include the CAF number**)
- Enter a **maximum fee**, request **expedited processing** with a reason if needed, and **upload** any documents via "Attachment," then **Submit**
- Must include **valid photo ID** with the practitioner's **signature** (e.g., driver's license); omitting it may cause **denial**

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Mail or Fax CAF77 Request

A written request must include:

- **Name and address** of the requester (phone optional)
- A statement that the request is made **under FOIA**
- **Description** of records requested and the requester's **CAF number**
- A **firm commitment to pay** all applicable fees, with an **upper limit** if desired

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Mail or Fax CAF77 Request

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A written request must include (cont'd):

- Identification of the requester as a **tax professional** in the **"Other"** category, for **noncommercial or personal** use
- The **format** requested (CD-ROM, DVD, USB, or paper)
- A copy of **valid photo ID** with the requester's **signature**
- **Figure 9.3** shows a sample CAF client listing request

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Submitting the CAF77 Request and IRS Response

- **Mail** written requests to: Internal Revenue Service, GLDS Support Services, Stop 93A, P.O. Box 621506, Atlanta, GA 30362
- **Fax** to **877.891.6035** (Figure 9.4 shows the fee schedule for an **"other"** requester)
- The IRS must decide whether to comply within **20 days** (excluding weekends and legal holidays); a **denial** must state **reasons** and explain the **right to appeal**

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Withdrawing Authorizations

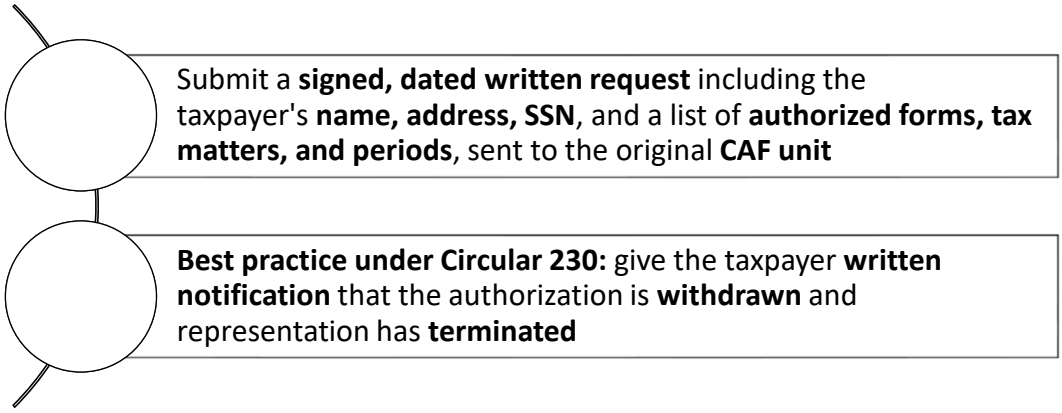
Tax Pro Account (if CAF is linked): open the taxpayer list, select the authorization, and **check the withdrawal box**

Mail/fax a copy of the **Form 2848** with **"WITHDRAW"** across the top, signed and dated, to the **CAF unit** where it was originally filed

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Withdrawing Authorizations



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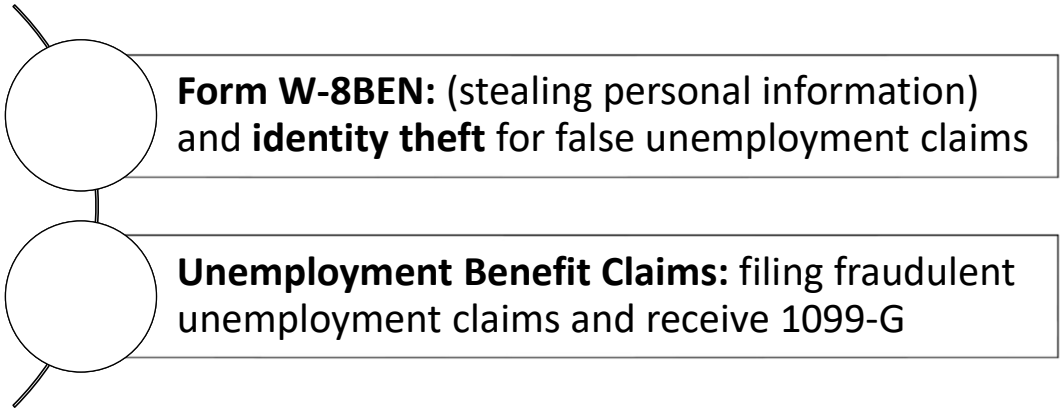
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Tax Scams

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Common Tax Scams



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Practitioner Note: Fake Websites

- The **DOJ** warns that fraudsters create sites **mimicking** unemployment and **state workforce agency (SWA)** websites to capture personal information
- They lure victims with **spam texts and emails** containing links, then use captured data for **identity theft**

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OBBBA Scams

Ghost preparers promise large refunds by **falsely claiming** new OBBBA credits, then disappear, leaving the taxpayer liable for **penalties, interest, or audits**

Tips and overtime scam: dishonest preparers charge **excessive fees**, guarantee eligibility, and **inflate or invent** deduction amounts without documentation

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OBBBA Scams: Senior Deduction Enrollment

The senior deduction requires **no enrollment, registration, or sign-up**; eligible seniors simply **claim it on their return**

Scammers falsely claim seniors must **enroll or register**, **verify** personal information, **pay a fee**, or **click a link** and provide their SSN or bank information

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OBBBA Scams: Fake Outreach and Payouts

Fake credit/deduction outreach:

- claims taxpayers are "re-approved," references "OBBBA refunds" or "stimulus credits," and requests SSNs, bank details, or IRS verification codes

Refund advance / fast payout scams:

- charge "release" fees and claim to bypass IRS timelines

Social media scams:

- push "everyone qualifies," "OBBBA loopholes," and "guaranteed refunds" to drive traffic to fraudulent services

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The 2026 Dirty Dozen

1. IRS impersonation by email or text
2. AI-enabled IRS impersonation by phone
3. Fake charities
4. Misleading tax advice on social media
5. Identity theft involving IRS online account access
6. Abusive undistributed long-term capital gains claims

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The 2026 Dirty Dozen

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7. Bogus self-employment tax credit promotion
8. Ghost preparers
9. Noncash charitable contribution schemes
10. Overstated withholding schemes
11. Spearphishing and malware targeting tax professionals
12. Aggressive or misleading offer in compromise marketing

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Reporting Suspicious Emails

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Forward fake IRS/Treasury emails to

- **phishing@irs.gov**
- Subject line: **“IRS," "Treasury,"** or **“Spearphishing"**), ideally **as an attachment** or with the **header captured**.

Also report to:

- **TIGTA** (tigta.gov)
- The **FTC** (reportfraud.ftc.gov)
- The **Internet Crime Complaint Center (IC3)**

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Reporting Social Media, Text, and Phone

Social media:

- report to the platform and send the account URL to phishing@irs.gov (subject: **"Social media"**); consider TIGTA, FTC, and IC3

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Reporting Social Media, Text, and Phone

Text:

- send sender/recipient numbers, contents, and date/time to **phishing@irs.gov** (subject: **"Text"**);
- forward to **7726 (SPAM)** and report to the FTC

Phone:

- record the number and report to the **TIGTA Hotline at 800.366.4484**

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Questions?????

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