

Beware of "ghost" preparers who don't sign tax returns

IR-2021-30, February 5, 2021

WASHINGTON — The Internal Revenue Service reminds taxpayers to avoid "ghost" tax return preparers whose refusal to sign returns can cause a frightening array of problems. It is important to file a valid, accurate tax return because the taxpayer is ultimately responsible for it.

Ghost preparers get their scary name because they don't sign tax returns they prepare. Like a ghost, they try to be invisible to the fact they've prepared the return and will print the return and get the taxpayer to sign and mail it. For e-filed returns, the ghost preparer will prepare but refuse to digitally sign it as the paid preparer.

By law, anyone who is paid to prepare or assists in preparing federal tax returns must have a valid Preparer Tax Identification Number, or PTIN. Paid preparers must sign and include their PTIN on the return. Not signing a return is a red flag that the paid preparer may be looking to make a fast buck by promising a big refund or charging fees based on the size of the refund.

Unscrupulous tax return preparers may also:

- Require payment in cash only and not provide a receipt.
- Invent income to qualify their clients for tax credits.
- Claim fake deductions to boost the size of the refund.
- Direct refunds into their bank account, not the taxpayer's account.

The IRS urges taxpayers to choose a tax return preparer wisely. The Choosing a Tax Professional page on IRS.gov has information about tax preparer credentials and qualifications. The IRS Directory of Federal Tax Return Preparers with Credentials and Select Qualifications and Select Qualifications can help identify many preparers by type of credential or qualification.

No matter who prepares the return, the IRS urges taxpayers to review it carefully and ask questions about anything not clear before signing. Taxpayers should verify both their routing and bank account number on the completed tax return for any direct deposit refund. And taxpayers should watch out for preparers putting their bank account information onto the returns.

Taxpayers can report preparer misconduct to the IRS using IRS Form 14157, Complaint: Tax Return Preparer PDF

. If a taxpayer suspects a tax preparer filed or changed their tax return without their consent, they should file
Form 14157-A, Tax Return Preparer Fraud or Misconduct Affidavit PDF.

Page Last Reviewed or Updated: 20-Dec-2021