



## National Tax Security Awareness Week, Day 2: IRS, Security Summit partners urge people to watch out for bad tax advice on social media

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WASHINGTON – The Internal Revenue Service and the [Security Summit](#) partners issued a consumer alert today about the growing threat of bad tax advice on social media that continues to dupe people into filing inaccurate tax returns.

On day two of the ninth annual [National Tax Security Awareness Week](#), the IRS and the Security Summit partners are spotlighting the wildly inaccurate tax claims that continuing building across social media. These scams take many different forms and make outlandish promises to inflate refunds.

“The growth of bad tax advice on social media continues to grow, luring unsuspecting taxpayers into filing bad tax returns,” said IRS Commissioner Danny Werfel. “We urge people to do some research before falling for these scams. Finding a trusted tax professional or visiting IRS.gov is a better way to research a tax issue than relying on someone talking in their car or their kitchen about a non-existent tax hack.”

For years, members of the Security Summit - representing state tax agencies, tax professionals, tax software companies and the financial industry - have worked to raise awareness about tax-related identity theft and related tax scams. To counter this growing threat of tax scams, many of the Summit members have joined together to launch a related group, the [Coalition Against Scam and Scheme Threats \(CASST\)](#).

Throughout the past year, the IRS and the Summit partners saw an escalation of new scams and bad advice surface on social media that promise to magically enrich taxpayers. This year, the public has seen the emergence and rapid spread of financial scams ranging from the Fuel Tax Credit on federal tax returns to “pig-butcher” scams that involve investments in fake cryptocurrencies that ultimately leave the victims penniless.

The [newly formed CASST alliance](#), comprising dozens of public and private sector organizations, is working cooperatively to combat these growing scams and protect taxpayers against filing of inaccurate tax returns fueled by social media advice. Increasing awareness of new and emerging tax schemes on social media is one part of a multi-pronged effort by the CASST coalition to combat tax scams and fraud.

Scams that promise easy money through claiming inaccurate credits or other schemes are seen in social media and in other places. Some producers of misleading content on social media are driven by a criminal profit motive, while others are simply trying to gain attention and clicks, with little regard for the risks it poses to their followers.

“Common wisdom dictates that if it sounds too good to be true, it often is, and that’s especially with some of the crazy ideas about taxes being spread on social media,” Werfel said. “Social media platforms are rife with influencers making claims about tax credits or deductions that stretch the truth or are outright lies, aimed at gaining themselves clout or pushing up their views. At the same time, this puts their audience’s tax returns and personal finances at risk. If people want good tax information on social media, they should follow options like a trusted tax professional or the IRS social media platforms.”



## What to watch out for on social media

The IRS is aware of various filing season hashtags and social media topics leading to inaccurate and potentially fraudulent information. A common theme among many of these examples involves people trying to use legitimate tax forms for the wrong reason.

The IRS has seen a spike this year in the following types of scams on social media:

**"Self Employment Tax Credit":** Promoters on social media have made misleading claims that taxpayers – particularly self-employed individuals and gig economy workers -- can get up to \$32,000 through the so-called "Self Employment Tax Credit."

In reality, there is no "Self Employment Tax Credit"; rather, scammers are advising taxpayers to incorrectly use Form 7202, Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals, to improperly claim the specialized and very limited Sick Leave and Family Leave Credit on their income.

People who were self-employed could claim credits for Sick and Family Leave only for limited COVID-19 related circumstances in 2020 and 2021; the credit is not available for 2023 or 2024 tax returns. The IRS has a detailed set of [FAQs](#) describing the very technical requirements for meeting this provision of the law.

**Household employment taxes:** In a variation on the "Self Employment Tax Credit" scheme, taxpayers are being advised to "invent" fictional household employees and then file Schedule H (Form 1040), Household Employment Taxes, to claim a refund based on false sick and family medical leave wages they never paid.

**Fuel Tax Credit:** This specialized credit is designed for off-highway business and farming use. Taxpayers need a business purpose and a qualifying business activity such as running a farm or purchasing aviation gasoline to be eligible for the credit.

The vast majority of individual taxpayers do not qualify for the Fuel Tax Credit. It is only for businesses that use certain types of fuel (not for the gas people put in their car). Yet promoters increasingly advise ineligible taxpayers to claim it, and then the promoters line their own pockets by charging the individual a hefty fee.

**Inflated income and withholding:** This scheme encourages people to use tax software to manually fill out Form W-2, Wage and Tax Statement, and include false income information. Scam artists suggest people make up large income and withholding figures, as well as the employer from which it's coming. They then instruct people to file the bogus tax return electronically in hopes of getting a substantial refund – sometimes as much as five figures – due to the large amount of withholding.

**Claim of Right:** In this long-seen scheme, taxpayers are advised to file tax returns and attempt to take a deduction equal to the entire amount of their wages. Promoters advise them to label the deduction as "a necessary expense for the production of income" or "compensation for personal services actually rendered." The deduction is based on a complete misinterpretation of the Internal Revenue Code and has no basis in law.

The IRS has seen hundreds of thousands of dubious claims like these, leading to refunds being delayed and the need for taxpayers to show legitimate documentation to support their claims – which they often don't have. Many of these scams were highlighted during this spring's annual [Dirty Dozen](#) series. The IRS is on the lookout for each of these types of false tax claims as well as others.



The IRS and Summit partners urge taxpayers to exercise caution when filing their tax returns and ensure they only claim credits to which they're entitled. Taxpayers who did fall victim need to follow steps to verify their eligibility for the claim. Otherwise, they could face audits and expensive fines; in some cases, they could be subject to [federal criminal prosecution and imprisonment](#).

If individuals have doubts about the legitimacy of a particular tax credit, they should review the many resources available on IRS.gov or seek advice from a qualified tax professional and, in some cases, file an amended return to remove claims for which they're ineligible to avoid potential penalties.

### 'Tis the season

These threats are present year-round, but the approach of the 2025 tax filing season means that misinformed influencers and outright scammers will intensify efforts to persuade the public to take their bad advice.

Instead of looking to shady or ill-informed influencers on social media, a better option for taxpayers to learn how to properly use tax forms and claim credits is to go to IRS.gov and follow IRS social media channels.

- IRS.gov has a [forms repository](#) with legitimate and detailed instructions for taxpayers on how to fill out the forms properly.
- Use IRS.gov to find the official [IRS social media](#) accounts, or other government sites, to fact check information.

Taxpayers should also consider consulting a tax pro if they're thinking of applying tax advice seen on social media to their own tax situations.

### Pass it on

The IRS encourages the public to report improper and abusive tax schemes, as well as tax return preparers who knowingly prepare improper returns, including "ghost preparers."

To report an [abusive tax scheme or a tax return preparer](#), people should mail or fax a completed [Form 14242, Report Suspected Abusive Tax Promotions or Preparers](#), and any supporting material to the IRS Lead Development Center in the Office of Promoter Investigations.

Mail:

Internal Revenue Service  
Lead Development Center MS7900  
1973 N. Rulon White Blvd  
Ogden, UT 84404  
Fax: 877-477-9135

Alternatively, taxpayers and tax professionals may report the information to the [IRS Whistleblower Office](#) for possible monetary award.

Taxpayers can also report scams to the [Treasury Inspector General for Tax Administration](#) or the [Internet Crime Complaint Center](#). The [Report Phishing and Online Scams](#) page at IRS.gov provides complete details.