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Security Summit urges businesses to boost cybersecurity protections *Efforts can help combat business identity theft and prevent filing of fraudulent tax returns*

PROVIDENCE — The Rhode Island Division of Taxation, the Internal Revenue Service, and other partners in the Security Summit today urged employers large and small to step up cybersecurity protections against business identity theft.



Identity thieves are displaying a sophisticated knowledge of the tax code and of industry filing practices as they attempt to obtain valuable data to help file fraudulent returns. To address this and protect taxpayers and their business returns, the Security Summit has taken steps to identify and prevent business identity theft.

“As the IRS and the Security Summit partners have strengthened our protections against tax-related identity theft, cybercriminals increasingly look for other places to find data to file fraudulent returns,” said IRS Commissioner Chuck Rettig. “We urge businesses to protect their data and watch out for warning signs that could be indicators of identity theft or fraudulent filings,” he said.

There are certain signs that may indicate identity theft has occurred, said Rhode Island Tax Administrator Neena Savage. Business, partnership, estate, and trust filers should be alert to potential identity theft and contact the IRS if they experience any of the following issues:

- Requests for an extension to file are rejected because a tax return with the employer identification number (EIN) or Social Security number (SSN) is already on file.
- An e-filed return is rejected because a duplicate EIN or SSN is already on file with the IRS.
- An unexpected receipt of a tax transcript or IRS notice that doesn't correspond to anything submitted by the filer.
- Failure to receive expected and routine correspondence from the IRS because the thief has changed the address.

For several years, the IRS has taken steps to help protect Form 1120-series filers, and the Security Summit effort is part of that. For example, tax software products now share many data elements with the IRS and state tax agencies. These data elements help the states and the IRS to identify suspicious tax returns and to reduce the impact to legitimate filers. This will allow legitimate returns to be processed as usual.

The IRS also now asks tax professionals preparing business-related returns to step up the “trusted customer” procedures. Tax preparation software for business-related returns asks the following questions to help protect the business filer:

- The name and SSN of the company executive authorized to sign the corporate tax return, including Form 1065. Is this person authorized to sign the return?
- Payment history – Were estimated tax payments made?
- Total income amount from prior-year filings.
- Parent company information – Is there a parent company? If yes, the name?
- Additional information based on deductions claimed.
- Filing history.



The Security Summit consists of the IRS, state tax agencies, and the tax community -- including tax preparation firms, software developers, processors of payroll and tax financial products, tax professional organizations, and financial institutions. Partners in the Security Summit work together to combat identity theft and fight other scams to protect the nation’s taxpayers. To learn more, click [here](#).

The Rhode Island Division of Taxation office is at One Capitol Hill in Providence, R.I., diagonally across from the Smith Street entrance of the State House, and is open to the public 8:30 a.m. to 3:30 p.m. business days. To learn more, see the agency's website: www.tax.ri.gov.