



# NEWS RELEASE

## *For Immediate Release*

Division of Taxation

Contact: Ro Silva

Phone Number: 303.205.2961

Contact: Kathy Pugliese

Phone Number: 303.205.8203

## **Some state income tax refunds delayed due to tax fraud prevention measures**

**Denver, CO, March 10, 2016** – The Colorado Department of Revenue (CDOR) is emphasizing fraud detection and prevention over the fast refunds taxpayers have experienced in the past. Fraud detection and prevention are essential to protect state dollars and taxpayer refunds in this age of increased identity theft. Taxpayers could experience delays as long as 60 days due to Department of Revenue tax refund fraud detection and prevention efforts. The Department is asking taxpayers to be patient as it is better to be sure a refund is going to the correct party and not to data thieves who stand to benefit from stolen refunds.

While not all refunds will be impacted by the Department's efforts, if an income tax return has refund fraud characteristics, a delay in receiving refunds is possible. CDOR believes taxpayers would prefer Colorado refund claims are carefully reviewed to prevent income tax refund fraud, rather than sending out refunds without investigation -- even if that means delays.

If a return is "correct and complete" when filed, meaning there are no errors or omissions (such as missing documentation for claiming credits and subtractions) *and* it does not contain characteristics of fraud, the taxpayer should not experience noticeable delays.

Some taxpayers will receive a letter or other contact from the Colorado Department of Revenue requesting that they verify their income tax information or verify an income tax refund. Taxpayers are highly encouraged to respond in a timely manner. Taxpayers who are uncomfortable about corresponding or discussing the information may call the Department through the phone number provided in the correspondence or may ask the representative for a name and office name and can call back. Visit the Colorado Taxation Web site, [www.TaxColorado.com](http://www.TaxColorado.com); look for the office under the "Contact Us" link for each tax type, then call the office to verify the inquiry.

Some taxpayers may see the refund they requested as Direct Deposit converted to paper check and mailed to the taxpayer's address as a method of verifying that the refund is legitimate. If the taxpayer has not filed a return yet or is not expecting a refund, they should contact the Department to report potential tax refund fraud through the phone number on the letter that comes with the check.

(more)

Security · Compliance · Customer Service

Colorado Department of Revenue · Taxation Division · 1375 Sherman Street · Denver, CO 80203 · [www.TaxColorado.com](http://www.TaxColorado.com)

## **Increase in identity theft**

Within the past year, the IRS has reported two breaches of taxpayer information, one related to the agency's "Get Transcript" program and the other related to an Identity Protection PIN tool for electronic filers who lost their PIN, though no personally identifiable information had been stolen. Meanwhile, during the past few years, personally identifiable information theft through highly-publicized data storage, retailer and health care information breaches has impacted millions of people. Criminals are obtaining the information they need to file for tax refunds and divert them to their accounts. The Colorado Department of Revenue is actively working with the Internal Revenue Service (IRS), other state taxation departments and the tax software industry to share new information and establish tools to reduce tax fraud. The Department will take more time to ensure the returns it receives are valid. The state works to protect tax dollars and refunds, which may mean refunds, will take a little longer to arrive than in previous years.

## **Taxpayer Security Awareness and Reporting Identity Theft**

For tips on how you can avoid identity theft year round and what to do when you believe you may be a victim of identity theft, visit the Colorado Department of Revenue's Taxpayer Security Awareness and Reporting Identity Theft Web page: <https://www.colorado.gov/pacific/tax/taxpayer-security-awareness-and-reporting-identity-theft>.

## **Colorado Income Tax Filing Tips and Refund Status Information**

Tax Year 2015 income tax filing season tips are available on the Colorado Taxation Web site, [www.TaxColorado.com](http://www.TaxColorado.com). To file your income tax return and find the status of your refund, use CDOR's free service, Revenue Online ([www.Colorado.gov/RevenueOnline](http://www.Colorado.gov/RevenueOnline)).

*The Colorado Department of Revenue is committed to providing security and customer service to assist taxpayers in voluntary compliance with state tax laws.*

# # #