

Practice Update

IRS Expands Identity Protection Program to Cover Additional Taxpayers

June 24, 2015

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The Internal Revenue Service (IRS) recently announced that starting in 2015, taxpayers who filed their 2014 federal tax return with an address in Florida, Georgia, or Washington, D.C. are eligible to obtain an “identity protection personal identification number” or an IP PIN. The IP PIN was created by the IRS to add an extra layer of protection for taxpayers who are vulnerable to tax related identity theft.

IP PIN Program Overview

An IP PIN is a six-digit number assigned to a taxpayer to help prevent the misuse of a taxpayer’s social security number (SSN) on a fraudulent federal income tax return. Once a taxpayer obtains an IP PIN, they must use it to confirm their identity on their 2014 tax return and any delinquent returns filed during the calendar year.

An IP PIN enables the IRS to verify a taxpayer’s identity and accept their tax return whether it is submitted electronically or on paper. A missing or incorrect IP PIN prevents the electronic filing of a tax return with the taxpayer’s SSN and other personal information. Paper returns filed with a missing or incorrect IP PIN will be subject to additional review.

Eligible taxpayers will receive a new IP PIN each

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December through the regular mail. The IRS has instructed taxpayers who receive an IP PIN to not disclose the number to anyone other than their tax preparer—and only immediately before they sign and submit their return.

Eligibility

Previously, only select individuals who were identified as possible identity theft victims had the opportunity to voluntarily opt in to receive an IP PIN. The IRS has now expanded the offering of the IP PIN to all taxpayers who filed their federal tax returns last year from Florida, Georgia, and the District of Columbia as part of a pilot program to help determine taxpayer demand for the IP PIN and the ability of the IRS to issue the PIN to a larger number of taxpayers. Florida, Georgia, and Washington, D.C. were selected for the pilot program since they have the highest per capita percentage of tax-related identity theft.

Eligible taxpayers who wish to take advantage of this pilot opportunity can [click here](#) to visit the IRS website where they will be required to register and create an account. The IRS cannot issue an IP PIN to a taxpayer unless that person's identity has been verified online. After a taxpayer is issued an IP PIN, the taxpayer will need to use it to confirm their identity on all federal income tax returns filed during the 2015 calendar year and future tax years.

Participation in this program is voluntary and if the taxpayer chooses not to participate, they can file their return as they normally would. Currently, if a taxpayer chooses to receive an IP PIN, they cannot opt out of the program in future years.

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