



Montana Tax News You Can Use

An e-newsletter for tax preparers and those interested in the state's tax system

Fraudulent Tax Returns Delay Refunds

The Montana Department of Revenue and approximately 20 other states have seen an uptick in the number of attempts to file fraudulent tax returns this year. Although it appears that many of the fraudulent filings are filed using third-party commercial tax preparation software provider TurboTax, the department is seeing other third-party software being used as well.

Taxpayers and preparers can be assured that the department's computer systems, which include our online tax system, remain secure and have not been compromised. In fact, it was a combination of the fraud prevention system checks and the good work of department staff that has stopped and flagged the fraudulently-filed returns.

Due to this increase in fraudulent returns, we are thoroughly reviewing all returns before issuing refunds. **This has slowed down our process and we appreciate your patience if refunds are not received as quickly this year as in the past.**

Since this year's tax season opened on January 20, the department has blocked 57 fraudulent filings out of 88,000 total submissions. The amount of fake refunds stopped so far totals \$64,000. Last year, we stopped approximately \$1.5 million in fraudulent refunds.

We are mailing refund verification letters to some taxpayers or their employers that they will need to mail back. These letters help us confirm that refunds are being sent to the correct individuals. We are also reaching out individually to alert those who may have been victims of a fake filing or identity theft. Montana taxpayers who filed state income tax returns electronically through third-party vendors prior to tax year 2014 are among those potentially affected by this current scam.

We want to emphasize that filing taxes electronically is not the problem. The problem is identity theft that could have occurred when personal information - like social security numbers, birthdates, usernames, and passwords - was stolen in one of the recent well-publicized security breaches of businesses like Anthem and Target.

Taxpayers who previously prepared and filed taxes through self-preparation software and are concerned about their tax refunds or that their personal tax information may have been compromised should:

- Log into the tax software they've used in previous years and change their username and password. Do not reuse usernames or passwords that have been used for other accounts or websites.
- If they log into their tax software and it says they've already filed for 2014, that's an indication that their identity may have been stolen. If they think there is a problem with their tax software account, they should contact the software company immediately.

Reportedly, 20 other states and the IRS have identified similar problems and are taking comparable precautions to identify and stop fraudulent returns. TurboTax stopped and then resumed processing state tax returns after adding more identity verification steps. TurboTax handles about thirty percent of the self-preparation tax software market, which could make it and other industry leaders like H&R Block targets of fraudsters.

Call Center Wait Times, Refund Resources, and Tax Mailing Addresses

The department's call center is now in its busiest of seasons. Our phone lines are busiest on Mondays and Tuesdays, so you can expect shorter wait times on Wednesdays, Thursdays and Fridays. Please keep in mind that there are alternatives to help you and your clients find answers to commonly asked questions. For example:

- **Payment History.** [Taxpayer Access Point](#) (TAP) allows your client to see all of the payments they made to the department over the past year as well as their prior year returns.
- **Refund Status.** To check on the status of their refund, they can go to TAP and select *Where's My Refund?* Your client will need their Social Security Number and the amount of their refund listed on the 2014 tax return. They can find their refunds on:

Line 74 of Form 2
Line 65 of Form 2M
Line 21 of Form 2EZ
Line 13 of Form 2EC

- **Mailing Addresses.** Sending your payment or tax return to the correct address helps us by presorting the mail and allows us to process the work to your client's account quicker. A list of some addresses you may need are below, or you can check our [website](#) for other mailing addresses.

Individual Income Tax Returns with Payments- PO Box 6308 - Helena, MT 59604-6308

Individual Income Tax Return with Refund Request or Zero Balance- PO Box 6577 -Helena, MT 59604-6577

Corporation Tax Returns, Partnership Returns and all Other Pass-Through Entity Returns - PO Box 8021 - Helena, MT 59604-8021

All Types of Payments- PO Box 6309 - Helena, MT 59604-6309

Withholding and Miscellaneous Tax Correspondence - PO Box 5835 - Helena, MT 59604-5835

General Mail and Correspondence - PO Box 5805 - Helena, MT 59604-5805

Application for a Payment Plan - PO Box 1712 - Helena, MT 59604-1712

Office of Dispute Resolution - PO Box 5805 - Helena, MT 59604-5805

All Mail Sent by UPS or FedEx - 340 N. Last Chance Gulch, Helena, MT 59601

Field Audit Guide Available Online

The department recently posted the [Field Audit Guide - Montana Income Tax Returns](#) to our website at revenue.mt.gov/home/individuals under the FAQs tab. The guide provides general information about field audits including a description of a typical audit and a brief explanation of taxpayers' rights and responsibilities. Additional information is available online or by contacting the department.

Taxpayer Access Point (TAP) File Upload

Employers, third-party representatives, and payroll service providers can file W-2 and 1099 forms, along with their MW-3 annual wage withholding tax reconciliation forms, online through Taxpayer Access Point (TAP).

The new secure file upload service is available online through TAP at <https://tap.dor.mt.gov/> under the Business section's *NEW* File Upload link. There is no cost to register and upload W-2, 1099, and MW-3 files on TAP. You can also enter your MW-3, W-2s, and 1099s using your TAP withholding account. Online instructions for using the TAP File Upload are available [here](#).

More information is available at revenue.mt.gov under [Online Services](#), Wage Withholding. Taxpayers and tax preparers are also welcome to contact the department's call center at 1-866-859-2254 or, in Helena, 444-6900.

Power of Attorney (POA) Form on TAP

Did you know the Montana Power of Attorney (POA) form can be submitted on Taxpayer Access Point (TAP)? It is simple to do and ensures that we can discuss your clients' tax matters with you. Keep in mind, each individual taxpayer has to complete a separate POA form.

Go to [TAP](#) and choose Add Power of Attorney.

DOR Closed on Monday, February 16

The Department of Revenue call center and other offices will be closed on Monday, February 16, in observance of Presidents Day.

Our online services will still be available. Please visit [Taxpayer Access Point \(TAP\)](#) and revenue.mt.gov for all your filing and form needs.

Tax Facts

For 2015, as of January 30:

- Total number of individual income tax returns we've processed: 30,515
- Number of individual tax returns we've received electronically: 30,233
- Number of individual income tax refunds we've issued: 20,253
- Average amount of refunds: \$390.55

Contact us

Visit us online at revenue.mt.gov; email us at DORCustomerAssistance@mt.gov; or, call us toll-free at (866) 859-2254 or in Helena at (406) 444-6900.



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Edited by [Molly A. Petersen](#)

Montana Tax News You Can Use is published weekly during tax season and periodically at other times. It is for anyone who helps people file taxes and meet their tax responsibility and for anyone simply interested in the state's tax system. It keeps you posted on what's happening at the department, lets you know about new ways of preparing and filing taxes and brings you up-to-date on some of the issues and trends popping up during tax season in Montana. To subscribe, visit the [newsroom](#) page on our website and click on the "Tax News You Can Use" tab.

We welcome your suggestions and ideas for articles, as well as your questions and comments.
Please send them to DORWritingProject@mt.gov.



Montana Department of Revenue | PO Box 5805 | Helena | MT | 59604