



December 12, 2011

Does the IRS Owe You Money?

Uncle Sam may be looking for you because the IRS owes you money. A total of 99,123 refund checks amounting to \$153.3 million have not been sent to its owners due to mailing address errors. This comes up to \$1,547 per person.

Most of the people whom the IRS cannot track are those who did not opt for direct deposit and those who did not file their returns electronically. Direct deposit into a bank account means the IRS can refund you without sending you a check via the mail. According to IRS statistics, more than 78.4 million taxpayers chose to get their refund by direct deposit last year.

On the other hand, electronic filing significantly reduces human errors and gets your refund money back much faster. Last year, almost 80% of taxpayers filed their returns electronically. The original target was to achieve 80% electronic filing by 2007, according to the Government Accountability Office (GAO).

E-filing is a result of the Government Performance and Results Act (GPRA) Modernization Act of 2010 that stipulates that the IRS must consult with Congress and the Office of Management and Budget to set performance goals at least every 2 years. Congress closely monitored IRS performance on meeting established e-filing goals, held 22 hearings related to e-filing since 1998 when the Internal Revenue Service Restructuring Reform Act was passed and requested annual GAO reports on filing season performance, including e-file.

However, not 100% of the taxpaying public uses direct deposits or e-filing. This has led to the almost 100,000 undeliverable checks in IRS possession. So you should visit the IRS website at www.irs.gov and click on the "Undelivered Refunds" section or call (800) 829-1954 if you think you are due a refund and have not received your check yet. You can also click on the "Where's my refund" tool and you can view your refund status. You might even be able to see "instructions on how to resolve delivery problems".

But you need to watch out for scam artists posing as IRS agents. They usually contact you via phony emails that pretend to be from the IRS.

According to the IRS, “The public should be aware that the IRS does not contact taxpayers by email to alert them of pending refunds and does not ask for personal or financial information through email”. These emails are often nothing more than “phishing scams,” and you should simply ignore them. Under no circumstances should you divulge your personal information, reply, open any attachments or click on any links in the emails to avoid viruses or Trojan horses that can infect their computers.

Then you should report the matter to the IRS at phishing@irs.gov.