

How to Get an Identity Protection Personal Identification Number from the IRS

©2021 SWC | Stees, Walker & Company, LLP | All rights reserved. | No portion of this singlet may be used without the express and written permission of Laura Stees

While con artists love tax season, 2020 marked the first year since at least 2014 that tax-related identity theft was not included on the Internal Revenue Service's (IRS) "Dirty Dozen" list of tax scams. However, it remains a threat to all taxpayers, yourself included. All the bad guys need to do is file your tax return before you do and redirect your refund to their bank account.

"Tax scams tend to rise during tax season or during times of crisis, and scam artists are using the pandemic to try stealing money and information from honest taxpayers."

— IRS Commissioner Chuck Rettig

Commissioner Rettig's words ring true, especially when you stop to consider that the COVID-19 pandemic has increased online activity for many of us. As a result, it stands to reason that con artists are increasing their online activity as well, and capitalizing on our increased exposure to online identity theft.



One of the tools the IRS offers taxpayers to help in the fight against tax-related identity theft is the Identity Protection Personal Identification Number (IP PIN)— a six-digit number that the IRS is authorized to assign to eligible taxpayers. The number is known only to the taxpayer and the IRS, and it's meant to prevent identity thieves from filing fraudulent tax returns using the taxpayer's Social Security Number (SSN).

As the IRS puts it, the IP PIN locks your federal tax account, and serves as the key to opening that account. So, if you file electronically and your submission doesn't contain the correct IP PIN, it will be rejected, and all of your returns will go through additional scrutiny at the IRS for fraud.

The IP PIN program has been around for 11 years. Originally issued to taxpayers who had been

How to Get an Identity Protection Personal Identification Number from the IRS

Continued from previous page

victimized by identity theft, in 2010, residents of select states were eligible to voluntarily obtain an IP PIN as a preventative measure. Since then, the IRS has expanded the program to include 20 states, including California. When the Taxpayer First Act was enacted on July 1, 2019, it included a provision that all taxpayers would be eligible to opt in to join the IP PIN program within five years.

Why Get an IP PIN?

Obviously, if you have experienced identity theft, regardless of whether it was tax-related or you are concerned about identity theft, an IP PIN can offer an extra layer of protection to ease your mind.

SWC Recommends: If you usually request an extension and file your taxes later in the year, you really should obtain an IP PIN, because fraudsters generally try to beat taxpayers to the finish line and file bogus returns to claim any refund before the taxpayer has a chance to file.

How to Obtain an IP PIN

The IRS provides three ways to obtain an IP PIN voluntarily:

- Apply online
- File Form 15227 – Application for an Identity Protection Personal Identification Number (IP PIN)
- Call the IRS to find out how to apply in person

Note: If you have been a victim of tax-related identity theft, the IRS will issue you an IP PIN automatically — after resolving your case. You will receive IRS Notice CP01A informing you that an IP PIN has been assigned, and you will need to use that PIN when filing future returns.

Apply Online

The quickest and easiest way to obtain an IP PIN is to apply online. We lead you through the process step-by-step below. These steps assume you don't already have an online account with the IRS. If you do have an online account, skip ahead to "Already Have an Online Account?" later in this singlette.

Step 1: Go to www.irs.gov/identity-theft-fraud-scams/get-an-identity-protection-pin and choose "Get an IP PIN." Registration is fast, secure, convenient, and free (message and data rates may apply to send a security code to a mobile phone). The process takes about 15 minutes.

Step 2: Create an account by using the "Create Account" link and by providing your name and email address.

Step 3: Check your email for confirmation code, and enter the code as shown, including the hyphen.

Step 4: Be prepared to provide the following information: (a) your full name, (b) your email address, (c) your date of birth, (d) your Social Security Number or Individual Tax Identification Number, (e) your tax filing status, and (f) your current address.

Step 5: Next, gather up and provide information on one of the following accounts, which the IRS requires to fully verify your identity: (1) a valid credit card in your name, (2) information about current student loan, (3) data related to your mortgage or home equity loan, (4) information about your home

Continued on next page

How to Get an Identity Protection Personal Identification Number from the IRS

Continued from previous page

equity line of credit, or (5) information about your auto loan. For whichever one you choose, you'll be asked to provide the loan account number or eight digits from a credit card number.

Note: The IRS can't verify your identity using a debit card, corporate card, American Express, Barclays, or certain cards issued by banks in U.S. territories. Additionally, the IRS can't verify your identity using information from a student loan issued by Nelnet. A soft inquiry will show up on your credit report to let you know the IRS accessed your credit report information. This will not raise or lower your credit score, and lenders will not be able to see the inquiry.

Step 6: Enter the activation code sent by text to your mobile phone. Please note: The phone number you use must be U.S.-based mobile phone number that's associated with your name. The IRS recommends using the phone number associated with the primary account owner. For example, if you're married, even though both spouses have valid phone numbers, if only one is shown as the account owner by the mobile carrier, the IRS will not be able to verify the number of the other spouse. Also, the mobile device must be able to receive text messages (SMS). It may *not* be a landline, Skype, Google Voice, or a virtual number. If you don't have a mobile phone meeting those criteria, you can complete the IRS's identity verification by requesting to receive a letter in the mail. To complete registration, you will still need a U.S.-based mobile phone capable of receiving text messages, or an iPhone, iPad, or Android device to complete registration.

Step 7: Create a username and password following the stated requirements, choose a phrase that you will recognize, and choose an image from the ones shown. After your account has been created, the IRS will issue you an IP PIN. Be sure to print the page displaying your IP PIN and secure it along with your tax records.

Already Have an Online Account?

If you already have one of the following accounts, you don't need to set up a new account:

- IRS Get Transcript account
- IRS Online Account
- IRS Online Payment Agreement

If you already have an account, go to www.irs.gov/identity-theft-fraud-scams/get-an-identity-protection-pin, click or tap the Get an IP PIN button, and log in with the same username and password you used for that account. Follow the prompts to receive your IP PIN.

Get Your IP PIN by Filing Form 15227 or Applying in Person

If you are unable to complete the online application, you can file [Form 15227](#), as long as you have all of the following:

- A valid Social Security Number (SSN) or Taxpayer Identification Number (TIN)
- Adjusted gross income of \$72,000 or less
- Access to a telephone

After the form is received and processed, an IRS assistor will call you to validate your identity. If you can't file online or are ineligible to file Form 15227, call the IRS to find out what your options are for filing for an IP PIN in person, as discussed in the next section. You will need two forms of identification, including one government-issued picture identification, such as a state driver's license.

Continued on next page

How to Get an Identity Protection Personal Identification Number from the IRS

Continued from previous page

IP PIN Facts to Keep in Mind

The online application takes about 15 minutes and generates an IP PIN once complete. Once yours is assigned, the IP PIN will be required on the next return you file. For IP PINs obtained by filing Form 15227 or applying in person, your IP PIN will be mailed to you the following tax year. This is done for security reasons.

Other IP PIN facts to keep in mind include the following:

- Unless you have already been a victim of tax fraud, the IP PIN program is voluntary.
- All applicants must pass a rigorous identity verification process.
- Spouses and dependents are eligible for an IP PIN as long as they can verify their identities.
- IP PINs are valid for one year and must be renewed annually. The IRS will send Notice CP01A informing taxpayers of their IP PIN each year. Taxpayers need to be sure the IRS has the correct mailing address, so filing IRS Form 8822 (Change of Address) may be necessary.
- Once enrolled, you cannot opt out of the IP PIN program, although that is expected to change, possibly by 2022.
- IP PINs should never be shared with anyone but a trusted tax advisor.

Unfortunately, tax-related identity theft is not going away anytime soon. Criminals will continue to look for ways to steal from the IRS and scam taxpayers. The IP PIN program can be a useful tool in the fight to avoid becoming a victim, but you can take additional steps to protect yourself. Check out the IRS's [Taxpayer Guide to Identity Theft](#) for additional guidance.

Disclaimer: *The information in this singlette about obtaining an IP PIN from the IRS is provided for general informational purposes only and may not reflect current financial thinking or practices. No information contained in this singlette should be construed as financial advice from the staff at Stees, Walker & Company, LLP (SWC), nor is this the information contained in this singlette intended to be a substitute for financial counsel on any subject matter or intended to take the place of hiring a Certified Public Accountant in your jurisdiction. No reader of this singlette should act or refrain from acting on the basis of any information included in, or accessible through, this singlette without seeking the appropriate financial planning advice on the particular facts and circumstances at issue from a licensed financial professional in the recipient's state, country or other appropriate licensing jurisdiction.*



Tax planning and financial strategy. Simplified.®

Keep in touch.

16875 W. Bernardo Drive, Ste. 290
San Diego, CA 92127

p: (858) 487-4580 | f: (858) 487-8033
www.SteesWalker.com
blog.SteesWalker.com

Laura A. Stees, CPA

Partner & Business Strategist
Laura@steeswalker.com

Marni L. Walker, CPA

Partner
Marni@steeswalker.com