



**Treasury Inspector General
for Tax Administration
Office of Audit**

INTERIM RESULTS OF THE 2013 FILING SEASON

Issued on March 29, 2013

Highlights

Highlights of Report Number: 2013-40-035 to the Internal Revenue Service Commissioner for the Wage and Investment Division.

IMPACT ON TAXPAYERS

The filing season, defined as the period from January 1 through mid-April, is critical for the IRS because it is during this time that most individuals file their income tax returns and contact the IRS if they have questions about specific tax laws or filing procedures.

WHY TIGTA DID THE AUDIT

Enactment of the American Taxpayer Relief Act of 2012 on January 2, 2013, significantly reduced the time the IRS had to implement the tax changes it contained. In addition, the IRS fully migrated the electronic filing of individual tax returns to the Modernized e-File system for the 2013 Filing Season. The objective of this review was to provide selected information related to the IRS's 2013 Filing Season. TIGTA plans to issue the final results of our analysis of the 2013 Filing Season in September 2013.

WHAT TIGTA FOUND

The IRS delayed the start of the filing season from January 22, 2013, to January 30, 2013, as a result of the enactment of the American Taxpayer Relief Act of 2012. Most taxpayers were able to file their tax return starting on January 30, 2013. However, some taxpayers had to wait to file their tax return until early March 2013. The IRS began accepting all individual tax returns on March 4, 2013.

As of March 9, 2013, the IRS received more than 65.1 million tax returns—more than 59.5 million (91 percent) were filed electronically and more than 5.6 million (9 percent) were filed on paper. The IRS has issued more than 53.4 million refunds totaling more than \$154 billion.

The IRS is continuing to expand its efforts to detect tax refund fraud. As of March 9, 2013, the IRS reports that it identified 220,821 tax returns with \$1.86 billion claimed in fraudulent refunds and prevented the issuance of \$1.79 billion (96.2 percent) of the fraudulent refunds.

In addition, the IRS identified and confirmed 85,385 fraudulent tax returns involving identity theft and identified another 87,817 prisoner tax returns for screening.

Taxpayers continue to frequently use the split refund option to direct deposit a refund into multiple bank accounts. However, some taxpayers and tax return preparers may be misusing this option. TIGTA also found that some paid tax return preparers continue to be noncompliant with Earned Income Tax Credit due diligence requirements. In addition, the IRS continues to issue potentially erroneous Education Credits for individuals who are not of a traditional age to be pursuing a four-year degree or vocational program.

During Fiscal Year 2013, the IRS plans to assist six million taxpayers through face-to-face contact at the Taxpayer Assistance Centers, which will be 11.8 percent fewer taxpayers than were assisted during Fiscal Year 2012. As of March 9, 2013, approximately 56.5 million taxpayers contacted the IRS by calling the various Customer Account Services function toll-free telephone assistance lines. The IRS is also continuing to expand its online and social media presence and now has a mobile application (IRS2Go); YouTube channels; and Twitter, Tumblr, and Facebook accounts.

WHAT TIGTA RECOMMENDED

This report was prepared to provide interim information only. Therefore, no recommendations were made.

READ THE FULL REPORT

To view the report, including the scope and methodology, go to:

<http://www.treas.gov/tigta/auditreports/2013reports/201340035fr.pdf>.