



Rhode Island Department of Revenue

Division of Taxation

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TAX ADMINISTRATION

ADVISORY FOR TAX PROFESSIONALS
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Tax season update: email scam; estimated taxes; surplus lines

Criminals target business payroll departments or HR departments to obtain employee data

PROVIDENCE, R.I. – The Rhode Island Division of Taxation, the Internal Revenue Service, and other members of the national Security Summit have renewed their warning about an email scam that targets a business’s payroll department or human resources department.

The scam typically uses a corporate officer’s name to request employee Forms W-2 from company payroll or human resources departments. Already this week, the IRS has received new notifications that the email scam is making its way across the nation for a second time.



The IRS urges company payroll officials to double check any executive-level or unusual requests for lists of Forms W-2 or Social Security numbers.

The W-2 scam first appeared last year. Cybercriminals tricked payroll and human resource officials into disclosing employee names, Social Security numbers, and income information. The thieves then attempted to file fraudulent tax returns for tax refunds.

This phishing variation is known as a “spoofing” email. It will contain, for example, the actual name of the company chief executive officer. In this variation, the “CEO” sends an email to a company payroll office or human resource employee and requests a list of employees and information including Social Security numbers. The following are some of the details that may be contained in the emails:

- “Kindly send me the individual 2016 W-2 (PDF) and earnings summary of all W-2 of our company staff for a quick review.”
- “Can you send me the updated list of employees with full details (Name, Social Security Number, Date of Birth, Home Address, Salary).”
- “I want you to send me the list of W-2 copy of employees wage and tax statement for 2016, I need them in PDF file type, you can send it as an attachment. Kindly prepare the lists and email them to me asap.”

The Rhode Island Division of Taxation, the IRS, and the tax industry have joined as the “Security Summit” to implement a series of initiatives to help guard against tax refund fraud and tax-related identity theft.

The Summit partners also warn businesses and individual taxpayers that cybercriminals are using more sophisticated tactics to try to steal even more data that will allow them to impersonate taxpayers. The Security Summit supports a national taxpayer awareness campaign

called “Taxes. Security. Together.” and a national tax professional awareness effort called “Protect Your Clients; Protect Yourself.” These campaigns offer simple tips that can help make data more secure. To learn more: <https://www.irs.gov/uac/security-summit>

Estimated tax coupons – Form RI-1040ES

The Rhode Island Division of Taxation has begun mailing copies of Form RI-1040ES for the 2017 tax year. Taxpayers use the form’s coupons to make quarterly estimated payments of Rhode Island personal income tax.

Overall, the Division of Taxation expects to mail out 40,434 copies of Form RI-1040ES. The first batch, of about 8,000, inadvertently contained information for the 2016 tax year. The Division plans a new mailing to send out the 2017 version of the form to everyone on the list, with a note of explanation.

Keep in mind that blank copies of the 2017 form are available for downloading and printing, any time of day or night, from the Division’s website:

http://www.tax.ri.gov/forms/2017/Income/2017%20RI-1040ES_Web_b.pdf

⇒ Ordinarily, the first quarterly estimated payment of Rhode Island personal income tax is due on or before April 15. But because April 15 falls on a weekend this year, and because of Emancipation Day in Washington, D.C., the due date this filing season will be April 18, 2017.

Surplus lines brokers/licenseses

A Rhode Island tax return must be filed each year on behalf of surplus lines brokers/licenseses. The return must be filed with the Rhode Island Division of Taxation and must be filed even if no income is reported (a “zero return”).

Now available is Form T-71A, “Surplus Line Broker Return of Gross Premiums,” covering the 2016 tax year. For a copy, use this link:

http://www.tax.ri.gov/forms/2016/Other%20Corp/2016%20T-71A_h.pdf

⇒ Ordinarily, the due date of the annual tax return for surplus lines brokers/licenseses is April 1. But because April 1 falls on a weekend this year, the due date this filing season will be April 3, 2017.

FOR MORE INFORMATION

To reach the Rhode Island Division of Taxation, call the Division’s main phone line at (401) 574-8829. The Division is normally open to the public from 8:30 a.m. to 3:30 p.m. business days, and is located at One Capitol Hill in Providence, in the Powers Building, which is diagonally across Smith Street from the State House. For forms, instructions, and other information, see the Division website: www.tax.ri.gov. For a list of phone numbers and email addresses of specific sections within the agency, see: www.tax.ri.gov/contact/