

# False Tax Credit Claims Tied to Social Media

## Cross References

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The Internal Revenue Service is alerting taxpayers about a growing number of fraudulent tax schemes circulating on social media that promote the misuse of credits such as the Fuel Tax Credit and the Sick and Family Leave Credit. These scams have led thousands of taxpayers to file inaccurate or frivolous returns, often resulting in the denial of refunds and steep penalties.

Since 2022, the IRS has seen a surge in questionable refund claims fueled by misleading social media posts and bad actors posing as tax experts. Many of the posts falsely claim that all taxpayers are eligible for credits they do not actually qualify for, such as those meant for self-employed individuals or businesses. The IRS routinely publishes and updates a list of frivolous positions on IRS.gov that could lead to the imposition of penalties.

"These schemes are not only misleading but can cost taxpayers dearly," said James Clifford, IRS Director Return Integrity and Compliance Services. "People who follow this advice could end up with rejected claims and a penalty of up to \$5,000 in addition to any other penalties that might apply. So far, the IRS has imposed over 32,000 penalties costing taxpayers more than \$162 million. It's in the taxpayer's best interest to stay informed."

**How to spot these scams.** These scams often have common traits.

- Social media posts that claim everyone qualifies for certain tax credits.
- Promises of "easy" or "fast" refund with minimal documentation.
- Instructions to file amended returns, even if you did not originally qualify for the credits.
- Encouragement to ignore IRS letters or respond with false information.

**What happens when a taxpayer falls for a scam.** Taxpayers who submit false claims may face serious consequences.

- Delayed refunds.
- Denied refund claims.
- A \$5,000 civil penalty under Internal Revenue Code section 6702 for filing a frivolous return.
- Subject to further IRS examination and enforcement action.

**What taxpayers can do if they are targeted.** Taxpayers who believe they have been misled or filed an incorrect return should:

- Amend the tax return as soon as possible using Form 1040-X, *Amended U.S. Individual Income Tax Return*.
- Respond promptly to any IRS letters or notices.
- Seek help from a reputable tax professional or the IRS's official resources at IRS.gov.

If you suspect a tax scam, report it to the IRS by emailing [phishing@irs.gov](mailto:phishing@irs.gov) or file a complaint with the Treasury Inspector General for Tax Administration (TIGTA).

**Stay informed.** The IRS urges all taxpayers to be cautious when relying on social media posts. Always verify claims with credible sources or consult a qualified tax professional.