



Tax Season and Fraud Prevention Survey

Survey Findings Report
February 15, 2019

Survey Method

When: Conducted February 5, 2018

Who: 1,200 U.S. respondents age 18+

What: 17-question mobile survey containing the following screener question:
“Will you file a 2018 income tax return to the IRS?”

How: Direct to mobile users via Pollfish

Why: Designed to assess:
Consumer concerns, habits and insight on information security and fraud awareness ahead of and during tax season.

Key Findings

Taxpayers Don't Know How Tax Preparers Protect Their Personal Information

While nearly half of taxpayers (48%) will file their own taxes online via tax preparation software, more than one-third (37%) will file with a certified tax preparer.

Of those filing with a tax preparer, 44% say the person preparing their tax returns has not described how they would store or dispose of documents containing their personal information.

When asked which activity they think puts them at the greatest risk of becoming a victim of tax fraud or tax identity theft, one in 10 taxpayers (10%) say filing with a certified tax preparer.



Key Findings

Majority of Taxpayers Haven't Been a Victim of Tax Fraud, But Know Someone Who Has and Worry They Could Fall Victim

While the majority of taxpayers (91%) say they have never been a victim of tax fraud or tax identity theft, nearly one in 10 (7%) have. Men (9%) are more likely than women (5%) to say they have been a victim of tax fraud or tax identity theft.

What's more, more than one in four taxpayers (26%) know someone who has been a victim of tax fraud.

When asked if they are worried of becoming a victim of tax fraud or tax identity theft during tax season, nearly four in 10 (38%) say they are worried. Millennials (43%) are the most worried they could become a victim of tax fraud or tax identity theft, compared to 34% of Baby Boomers and 33% of Gen Zs.



Key Findings

Taxpayers Say Tax Documents Are Most Susceptible to Information Fraud or Identity Theft; Yet, Taxpayers Store and Dispose of Tax Information in Risky Ways

The majority of taxpayers (54%) think tax documents (e.g. W-2, 1099 forms, etc.) are the most susceptible documents to information fraud or identity theft, compared to auto loan documents (15%) and mortgage documents (6%).

Forty-seven percent of taxpayers say they do not know how long they are supposed to keep tax documents before disposing of them. As a result, 22% keep them for only 1-3 years.

Forty-five percent of taxpayers store tax paperwork in a box, desk drawer or unlocked cabinet at home or work. When it comes to disposing of tax documents, nearly one in five (19%) admit they do not shred tax paperwork or physical documents containing sensitive information before throwing them away.



Screening Question

Will you file a 2018 income tax return to the IRS?

Yes.		100.00%
No.		0.00%
I don't know.		0.00%

- Consumers who selected “Yes” proceeded with the survey.

Question 1

Of the following, how will you file your taxes?

I will file my own taxes online via tax preparation software (e.g. TurboTax, TaxAct, etc.).		48.17%
I will file my taxes with a certified tax preparer (e.g. H&R Block, Jackson Hewitt, etc.).		36.50%
A friend or family member will file my taxes for me.		11.67%
I don't know.		3.67%

- While nearly half (48%) of taxpayers will file their own taxes online via tax preparation software, more than one-third of (37%) will file with a certified tax preparer.
- Twelve percent will have a friend or family member file their taxes for them.

Question 1 Additional Findings

Men and women equally will file their taxes online via tax preparation software

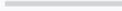
- 48% of men and women say they will file their own taxes online via tax preparation software
- However, men and women disagree when it comes to other tax filing options:
 - 35% of men will file their taxes with a certified tax preparer, compared to 38% of women
 - 13% of men will have a friend or family member file their taxes for them, compared to 11% of women

Millennials most likely to file taxes online via tax preparation software

- Millennials (54%) are the most likely to say they will file their taxes online via tax preparation software, followed by Baby Boomers (45%) and Gen Zs (43%)

Question 2

Has the person preparing your tax returns ever described how they would store or dispose of documents containing your personal information (e.g. W-2, 1099 forms, etc.)?

Yes.		42.69%
No.		44.29%
I don't know.		13.01%

- Of the taxpayers who will file their taxes with a certified tax preparer, the majority (44%) say the person preparing their tax returns has not described how they would store or dispose of documents containing their personal information.
- Slightly more than 1 in 10 (13%) do not know if the person preparing their tax returns has described how they would store or dispose of documents containing their personal information.

Question 2 Additional Findings

Majority of men say certified tax preparers have not described how they would store or dispose of documents containing their personal information

- 47% of men say the certified tax preparer filing their taxes has not described how they would store or dispose of documents containing their personal information, compared to 43% of women

Half of Baby Boomers say certified tax preparers have not described how they would store or dispose of documents containing their personal information

- 50% Baby Boomers say the certified tax preparer filing their taxes has not described how they would store or dispose of documents containing their personal information
- 55% of Gen Z and 49% of Millennials say the certified tax preparer filing their taxes has described how they would store or dispose of documents containing their personal information

Question 3

Of the following, how do you best describe the way in which you share your personal information with the tax preparer?

Over email.	-	5.35%
Verbally over the phone.	-	3.21%
Through messaging services, such as text/SMS messages.	-	2.67%
In-person at my appointment.		88.77%
I don't know.		0.00%

- Of the respondents who said the person preparing their tax returns has described how they would store or dispose of documents containing their personal information, the majority (89%) say they will share their personal information with the tax preparer in-person at an appointment.
- The remaining will share personal information with the tax preparer:
 - Over email (5%)
 - Verbally over the phone (3%)
 - Through messaging services, such as text/SMS messages (3%)

Question 3 Additional Findings

Women are more likely than men to share personal information at an appointment

- 91% of women say they share personal information with the tax preparer at an appointment, compared to 85% of men

Majority of Baby Boomers, Millennials and Gen Zs share personal information at an appointment

- 98% of Baby Boomers, 81% of Millennials and 75% of Gen Zs say they share personal information with the tax preparer at an appointment
- Gen Zs (19%) are the most likely to share personal information with a tax preparer through messaging services, such as text/SMS messages, compared to 0% of Millennials and Baby Boomers
- Millennials (11%) are the most likely to share personal information with a tax preparer over email, compared to Baby Boomers (2%) and Gen Zs (0%)

Question 4

Have you ever been a victim of tax fraud or tax identity theft?

Yes.	—	6.67%
No.		90.92%
I don't know.	·	2.42%

- While the majority of taxpayers (91%) say they have never been a victim of tax fraud or tax identity theft, nearly one in 10 (7%) have.

Question 4 Additional Findings

Men are more likely than women to say they have been a victim of tax fraud or tax identity theft

- Nearly one in 10 men (9%) say they have been a victim of tax fraud or tax identity theft, compared to 5% of women

Baby Boomers most likely to say they have been a victim of tax fraud or tax identity theft

- 7% of Baby Boomers, 6% of Millennials and 3% of Gen Zs say they have been a victim of tax fraud or tax identity theft

Question 5

Do you know someone who has been a victim of tax fraud or tax identity theft?

Yes.		26.17%
No.		69.67%
I don't know.	-	4.17%

- While 70% of taxpayers do not know someone who has been a victim of tax fraud or tax identity theft, more than one in four (26%) do.

Question 5 Additional Findings

Men are more likely than women to know someone who has been a victim of tax fraud or tax identity theft

- 30% of men know someone who has been a victim of tax fraud or tax identity theft, compared to 23% of women

Millennials are the most likely to know someone who has been a victim of tax fraud or tax identity theft

- 31% of Millennials know someone who has been a victim, compared to 25% of Gen Z and 22% of Baby Boomers

Question 6

During tax season, are you worried you could become a victim of tax fraud or tax identity theft?

Yes.		37.50%
No.		53.50%
I don't know.		9.00%

- During tax season, nearly four in 10 taxpayers (38%) worry they could become a victim of tax fraud or tax identity theft.

Question 6 Additional Findings

Men and women almost equally as worried that they could become a victim of tax fraud or tax identity theft

- 37% of men and 38% of women are worried that they could become a victim of tax fraud or tax identity theft during tax season

Millennials are the most worried that they could become a victim of tax fraud or tax identity theft

- 43% of Millennials are worried that they could become a victim of tax fraud or tax identity theft, compared to 34% of Baby Boomers and 33% of Gen Zs

Question 7

Of the following, which activity do you think puts you at the greatest risk of becoming a victim of tax fraud or tax identity theft?

Filing my taxes online with tax preparation software (e.g. TurboTax, TaxAct, etc.).		35.42%
Filing with a certified tax preparer (e.g. H&R Block, Jackson Hewitt, etc.).		10.00%
Filing with a friend or family member.		26.33%
I don't know.		28.25%

- More than one-third of taxpayers (35%) think filing taxes online with a tax preparation software puts them at the greatest risk of becoming a victim of tax fraud or tax identity theft. That is compared to:
 - More than one in four (26%) who think filing with a friend or family member puts them at the greatest risk
 - One in 10 taxpayers (10%) who think filing taxes with a certified tax preparer puts them at the greatest risk
- Twenty-eight percent of taxpayers don't know which activity puts them at the greatest risk of becoming a victim of tax fraud or tax identity theft.

Question 7 Additional Findings

Men and women almost equally agree that filing taxes online puts them at the greatest risk

- 36% of men and 35% of women think filing taxes online with a tax preparation software puts them at the greatest risk of becoming a victim of tax fraud or tax identity theft

Gen Zs and Millennials almost equally agree that filing taxes online puts them at the greatest risk, Baby Boomers are unsure

- 37% of Gen Zs and 38% of Millennials think filing taxes online with a tax preparation software puts them at the greatest risk of becoming a victim of tax fraud or tax identity theft
- Baby Boomers (33%) don't know which activity puts them at the greatest risk, while 30% think filing with a friend or family member or filing taxes online with a tax preparation software puts them at the greatest risk

Question 8

If you were to receive a tax refund from the IRS, which of the following refund options would you select?

Direct deposit into my bank account.		81.92%
Physical check sent to me by mail.		15.75%
I don't know.		2.33%

- One in eight taxpayers (82%) would choose to receive a tax refund from the IRS through direct deposit, compared to 16% who would prefer to receive a physical check.

Question 8 Additional Findings

Men and women almost equally prefer to receive a tax refund from the IRS through a direct deposit

- 80% of men and 83% of women would choose to have a tax refund from the IRS sent to their bank account via direct deposit

Gen Zs least are the likely to want to receive a tax refund from the IRS through a direct deposit

- 77% of Gen Zs would choose to have a tax refund from the IRS sent to their bank account via direct deposit, compared to 82% of Baby Boomers and 85% of Millennials
- 16% of Baby Boomers and Gen Zs would choose to receive a tax refund from the IRS in the form of a physical check, compared to 14% of Millennials

Question 9

Of the following, when do you plan on filing your taxes?

February.		42.83%
March.		26.42%
April.		12.50%
I already filed my taxes in January.		13.33%
I don't know.		4.92%

- More than four in 10 taxpayers (43%) plan to file their taxes in February compared to:
 - More than one in four (26%) in March
 - More than one in 10 (13%) in April
- Thirteen percent of taxpayers have already filed their taxes in January.
- Five percent of taxpayers do not know when they will file their taxes.

Question 9 Additional Findings

Majority of men and women will file taxes in February

- Majority of men (41%) and women (44%) plan to file their taxes in February and the remaining plan to file their taxes in:
 - March: men (29%); women (25%)
 - April: men (13%); women (12%)

Baby Boomers most likely to wait until April to file taxes compared to Millennials and Gen Zs

- 20% of Baby Boomers plan to file their taxes in April, compared to 8% of Millennials and Gen Zs
- Gen Zs (17%) and Millennials (20%) are the most proactive with filing their taxes in January, compared to Baby Boomers (7%)

Question 10

Of the following, how long do you keep your tax documents (e.g. W2, 1099 forms, etc.) before disposing of them?

Less than 1 year.	-	5.42%
1-3 years.	—	21.75%
4-7 years.	—	25.83%
7+ years.	—	41.58%
I don't know.	-	5.42%

- While 42% of taxpayers keep tax documents for 7+ years before disposing of them, 26% keep them for 4-7 years, 22% keep them for 1-3 years, and 5% keep them for less than one year.

Question 10 Additional Findings

Men are slightly more likely than women to keep tax documents for less than a year

- 7% of men and 4% of women admit to keeping tax documents (e.g. W2, 1099 forms) for less than a year before disposing of them
- Women (46%) are much more likely than men (36%) to keep tax documents for 7+ years

The majority of Gen Zs and Millennials keep tax documents for 1-3 years

- 38% of Gen Zs and 37% of Millennials keep tax documents (e.g. W2, 1099 forms) for 1-3 years before disposing of them
- The majority of Baby Boomers (58%) keep tax documents (e.g. W2, 1099 forms) for 7+ years before disposing of them

Question 11

Do you know how long you are supposed to keep tax documents (e.g. W2, 1099 forms, etc.) before disposing of them?

Yes.		35.92%
No.		47.00%
I don't know.		17.08%

- The majority of taxpayers (47%) say they do not know how long they are supposed to keep tax documents before disposing of them. Thirty-six percent say they do.

Question 11 Additional Findings

Men and women almost equally say they do not know how long they are supposed to keep tax documents

- 46% of men and 48% of women say they do not know how long they are supposed to keep tax documents (e.g. W2, 1099 forms, etc.) before disposing of them

Majority of Millennials and Gen Zs do not know how long they're supposed to keep tax documents

- 66% of Gen Zs and 61% of Millennials say they do not know how long they are supposed to keep tax documents (e.g. W2, 1099 forms, etc.) before disposing of them
- The majority of Baby Boomers (53%) say they do know how long they are supposed to keep tax documents

Question 12

Do you shred tax paperwork or physical documents containing sensitive information (e.g. W2, 1099 forms, etc.) before throwing them away?

Yes.		77.50%
No.		18.92%
I don't know.		3.58%

- While the majority (78%) say they shred tax paperwork or physical documents containing sensitive information (e.g. W2, 1099 forms, etc.) before throwing them away, nearly one in five (19%) taxpayers do not.

Question 12 Additional Findings

Men are more likely than women to admit they do not shred tax paperwork or physical documents containing sensitive information (e.g. W2, 1099 forms, etc.) before throwing them away

- 21% of men say they do not shred tax paperwork or physical documents containing sensitive information before throwing them away, compared to 18% of women

Baby Boomers dispose of tax paperwork more safely than Millennials and Gen Zs

- 85% of Baby Boomers say they shred tax paperwork or physical documents containing sensitive information (e.g. W2, 1099 forms, etc.) before throwing them away, compared to 73% of Millennials and 65% of Gen Zs

Question 13

If you had to choose from the following options, how do you best describe the way you store tax paperwork (e.g. W2, 1099 forms, etc.) containing sensitive, personal information?

In a locked cabinet (such as a secure file cabinet) at home or work.		48.33%
In a box, desk drawer or unlocked cabinet at home or work.		44.50%
I don't store or keep paper documents containing sensitive information.	-	3.33%
I don't know.	-	3.83%

- While the majority of taxpayers (48%) store tax paperwork (e.g. W2, 1099 forms, etc.) containing sensitive, personal information in a locked cabinet at home or work, 45% store tax paperwork in a box, desk drawer or unlocked cabinet at home or work.
- Three percent of taxpayers do not store or keep paper documents containing sensitive information.

Question 13 Additional Findings

Women are more likely than men to store tax paperwork unsafely

- 48% of women admit to storing tax paperwork (e.g. W2, 1099 forms, etc.) containing sensitive, personal information in a box, desk drawer or unlocked cabinet at home or work, compared to 40% of men

Millennials and Baby Boomers store tax paperwork unsafely

- 45% of Millennials and 49% of Baby Boomers say they store tax paperwork (e.g. W2, 1099 forms, etc.) containing sensitive, personal information in a box, desk drawer or unlocked cabinet at home or work, compared to 30% of Gen Zs

Question 14

If you had to choose one of the following options below, which activity do you think would make you most vulnerable to information fraud or identity theft?

Making online retail purchases.		52.67%
Banking online.		17.75%
Purchasing or leasing a vehicle from a dealership.		3.75%
Filing taxes.		7.67%
I don't know.		18.17%

- While the majority of taxpayers (53%) think making online retail purchases makes them the most vulnerable to information fraud or identity theft, others think the activity that makes them the most vulnerable is:
 - Banking online (18%)
 - Filing taxes (8%)
 - Purchasing or leasing a vehicle from a dealership (4%)

Question 14 Additional Findings

Men and women almost equally agree that filing taxes makes them the most vulnerable to information fraud or identity theft

- Nearly one in 10 men (7%) and women (8%) think filing taxes makes them the most vulnerable to information fraud or identity theft

Millennials are the most likely to think filing taxes makes them the most vulnerable to information fraud or identity theft

- More than one in 10 Millennials (11%) think filing taxes makes them the most vulnerable to information fraud or identity theft, compared to 9% of Gen Zs and 4% of Baby Boomers

Question 15

Of the following, which document do you think is the most susceptible to information fraud or identity theft?

Auto loan documents.	—	14.58%
Tax documents (e.g. W-2, 1099 forms, etc.).	—	53.67%
Mortgage documents.	—	5.83%
I don't know.	—	25.92%

- The majority of taxpayers (54%) think tax documents (e.g. W-2, 1099 forms, etc.) are the most susceptible document to information fraud or identity theft, compared to auto loan documents (15%) and mortgage documents (6%).
- One in four taxpayers (26%) aren't sure which document is the most susceptible to information fraud or identity theft.

Question 15 Additional Findings

Women are more likely than men to think tax documents are the most susceptible to information fraud or identity theft

- 57% of women think tax documents are the most susceptible to information fraud or identity theft, compared to 49% of men

Baby Boomers are the least likely to think tax documents are the most susceptible to information fraud or identity theft

- 44% of Baby Boomers think tax documents are the most susceptible to information fraud or identity theft, compared to 64% of Millennials and 55% of Gen Zs

Question 16

Do you think you would be able to detect a fraudulent tax-related email if one was emailed to you?

Yes.		61.08%
No.		14.67%
I don't know.		24.25%

- While the majority of taxpayers (61%) think they would be able to detect a fraudulent tax-related email if one was emailed to them, 15% say they would not be able to detect a fraudulent tax-related email if one was emailed to them.
- Nearly one in four (24%) aren't sure if they would be able to.

Question 16 Additional Findings

Men are more confident in their ability to detect a fraudulent email than women

- 65% of men think they would be able to detect a fraudulent tax-related email if one was emailed to them, compared to 58% of women

Gen Zs are the least confident in their ability to detect a fraudulent email

- 56% of Gen Zs think they would be able to detect a fraudulent tax-related email if one was emailed to them, compared to 69% of Millennials and 60% of Baby Boomers

Question 17

Do you think you would be able to detect a fraudulent tax-related phone call?

Yes.		82.17%
No.		8.17%
I don't know.		9.67%

- While the majority of taxpayers (82%) think they would be able to detect a fraudulent tax-related phone call, 8% think they would not and 10% don't know.

Question 17 Additional Findings

Women are slightly less confident in men in their ability to detect a fraudulent tax-related phone call

- 8% of women do not think they would be able to detect a fraudulent tax-related phone call, compared to 9% of men

Baby Boomers are the most confident in their ability to detect a fraudulent tax-related phone call than Millennials and Gen Zs

- 86% of Baby Boomers think they would be able to detect a fraudulent tax-related phone call, compared to 82% of Millennials and 81% of Gen Zs



Thank you!