



**Mike Kadas**  
Director

# Montana Department of Revenue



**Steve Bullock**  
Governor

## Memorandum

**To:** Revenue and Transportation Interim Committee

**From:** Mike Kadas, Director

**Date:** September 14, 2017

**Subject:** Personal Income Tax Fraudulent Returns

The attached table details personal income tax fraudulent returns for tax years 2012-through 2016.

**Personal Income Tax Fraudulent Returns**

Returns	2012	2013	2014	2015	2016
<b>Fraud Summary by Month</b>					
Total Fraud Returns January	4	19	214	179	18
Total Dollar January	\$2,240	\$2,744	\$272,107	\$141,036	\$82,392
Average Dollar January	\$560	\$144	\$1,272	\$788	\$4,577
Total Fraud Returns February	19	136	784	317	81
Total Dollar February	\$3,805	\$130,840	\$757,890	\$257,410	\$72,367
Average Dollar February	\$200	\$962	\$967	\$812	\$893
Total Fraud Returns March	35	114	505	111	83
Total Dollar March	\$42,911	\$130,647	\$530,844	\$95,014	\$82,901
Average Dollar March	\$1,226	\$1,146	\$1,051	\$856	\$999
Total Fraud Returns April	37	135	115	100	10
Total Dollar April	\$34,372	\$150,892	\$107,636	\$57,510	\$2,214
Average Dollar April	\$929	\$1,118	\$936	\$575	\$221
Total Fraud Returns May	14	234	44	24	9
Total Dollar May	\$11,575	\$212,070	\$58,189	\$18,844	\$3,456
Average Dollar May	\$827	\$906	\$1,322	\$785	\$384
Total Fraud Returns June	10	151	68	11	4
Total Dollar June	\$4,211	\$165,690	\$67,652	\$8,713	\$1,560
Average Dollar June	\$421	\$1,097	\$995	\$792	\$390
Total Fraud Returns July	40	236	39	2	3
Total Dollar July	\$15,152	\$176,384	\$54,714	\$2,467	\$4,204,223
Average Dollar July	\$379	\$747	\$1,403	\$1,234	\$1,401,408
Total Fraud Returns August	144	95	18	3	1
Total Dollar August	\$45,117	\$164,588	\$28,487	\$1,329	\$199
Average Dollar August	\$313	\$1,733	\$1,583	\$443	\$199
Total Fraud Returns September	84	65	15	6	0
Total Dollar September	\$3,542	\$162,475	\$32,867	\$7,344	\$0
Average Dollar September	\$42	\$2,500	\$2,191	\$124	\$0
Total Fraud Returns October	5	41	3	8	0
Total Dollar October	\$1,749	\$36,580	\$3,053	\$3,922	\$0
Average Dollar October	\$350	\$892	\$1,018	\$490	\$0
Total Fraud Returns November	0	22	1	1	0
Total Dollar November	\$0	\$16,345	\$2,428	\$246	\$0
Average Dollar November	\$0	\$743	\$2,428	\$246	\$0
Total Fraud Returns December	0	1	0	0	0
Total Dollar December	\$0	\$163	\$0	\$0	\$0
Average Dollar December	\$0	\$163	\$0	\$0	\$0
Refunds lost	\$2,380	\$41,959	\$26,130	\$3,814	\$0
Refunds Recovered	\$78	\$25,890	\$20,902	\$9,117	\$0
Stopped Fraud for Year	392	1,249	1,806	762	209
Fraud Dollars Stopped	\$164,674	\$1,349,418	\$1,915,867	\$593,835	\$4,449,312
Average Dollar For Year	\$420	\$1,080	\$1,061	\$779	\$21,289

A single return in July 2016 for a 4.2 million fraudulent return skewed the 2016 totals  
 The average for 2016 without that return is \$1,193

Source: Montana Department of Revenue August 28, 2017