


Tax Tips You Can Use

	<p>Safeguard credit cards By Kathleen Crawford, EA LTC # 27851-C First Published in the Jacksonville Review Dec 2015 Updated August 2020</p>
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As the year draws to a close, there are several precautions that taxpayers can take to safeguard their identities and money. Maybe one of these should be a New Year's resolution.

This tip is for your ATM card. Many people have all of their accounts tied to their ATM card. The good news is that 24/7 you can access any account you have. How many times in 2015 have you used your ATM card to access accounts other than your checking? That access is also the bad news. Thieves can access all of your accounts 24/7. A better plan is to have only your checking account tied to the ATM card. That way only the amount in your checking account is available if your ATM is lost, stolen or compromised. All of your transfers and other transactions would have to be done through online banking, but that is easy to set and use.

Another tip is for credit cards. These days the credit card companies watch for fraud. With the data breaches at big companies, much of our card information is up for sale. If, like me, you have automatic payments tied to your credit card, it can be very time consuming to change all of those auto-pay numbers when you get a new credit card in the mail due to suspicious activity on the old one. In one 15 month period, my credit card was reissued three times with different numbers each time. A good plan if you have 2 or more cards is to tie all of your automatic payments to one card that you put in a drawer and use for no other purpose. The chance that it will be compromised is low. Use the other card for your day-to-day shopping. If there is a data breach at Target or Michael's or

your local weird garden store, and your card needs to be replaced, there are no dangling automatic payments to change.

Many of us shop online. Usually we are asked for a credit card to make payment. If you have a third credit card from the two mentioned above, you could use it for online only. Or use the day to day card, but never use your card reserved for automatic payments.

The last tip is for small businesses. If you have a business, get an Employer Identification Number (EIN). That number is like a Social Security Number (SSN) for a business and it is not just for employers. You use it on the 1099's that you give out, forms that you fill out for your business banking, etc. and on the form you give others so that they can give you 1099's. Without an EIN, you must use your Social Security number to identify your business. You really don't know who will see those forms and therefore who can steal your SSN information. Although EIN ID theft does happen, it is rare compared to SSN ID theft. With an EIN only the IRS links your social security number to your EIN and they are not giving it out. Getting an EIN is easy. Just go online to IRS.gov, click forms and instructions and search for SS-4 form.

Have a safe and happy holiday season!

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