

NC Department of Revenue  
Environmental Justice Goals  
2024

1. Many taxpayers cannot afford to hire Certified Public Accountants (CPAs) to prepare their individual income tax returns, and North Carolina has limited rules that regulate tax preparers. This leads to certain fraudulent preparers taking advantage of taxpayers by the promise of a large tax refund for a nominal fee. These fraudulent tax preparers habitually attract wage earners and other low-income taxpayers. Generally, the tax returns often include fictitious home-based expenses or other fictitious expenses that fraudulently reduce income and inflate the refund amount. Often times, the fraudulent preparer rarely reviews the final individual income tax return with the taxpayer; however, once the tax return is signed, it is the taxpayer that is ultimately responsible for all items reflected on the return and any underpayment of tax. Very often the fraudulent tax preparer has closed his/her business following the tax preparation, and the arrest and prosecution of the preparer is very difficult. Generally, the Department will prosecute two to three fraudulent preparers each year; however, the fraudulent preparer population is extensive. Each year in December/January, the Department will launch a comprehensive campaign to educate taxpayers on what signs to look for when evaluating a tax preparer; specific outreach will be centered on Environmental Justice Communities. The Department will continue to identify and prosecute fraudulent preparers and always have staff available to discuss any taxpayer's particular set of circumstances with them.
2. Many North Carolina families with low or no income have no tax filing obligation. However, in order to take advantage of the federal Child Tax Credit and the Earned Income Tax Credit, the families must file federal returns. Millions of dollars are being untapped by North Carolina families who do not file and claim the credits. NCDOR will continue its partnership with agencies that serve these populations and who help to educate potentially eligible individuals on benefits of filing and claiming the credits. NCDOR will use all of its media and social media platforms to assist in getting these messages out to individuals and families in Environmental Justice Communities. NCDOR will work with partner agencies annually to monitor the increase in filings in order to test the effectiveness of the information campaign.



3. NCDOR will supplement its current equity training with a module that focuses on environmental justice awareness. Special emphasis will be given to areas of the Department where staff is assigned to interact with the public on a daily basis.