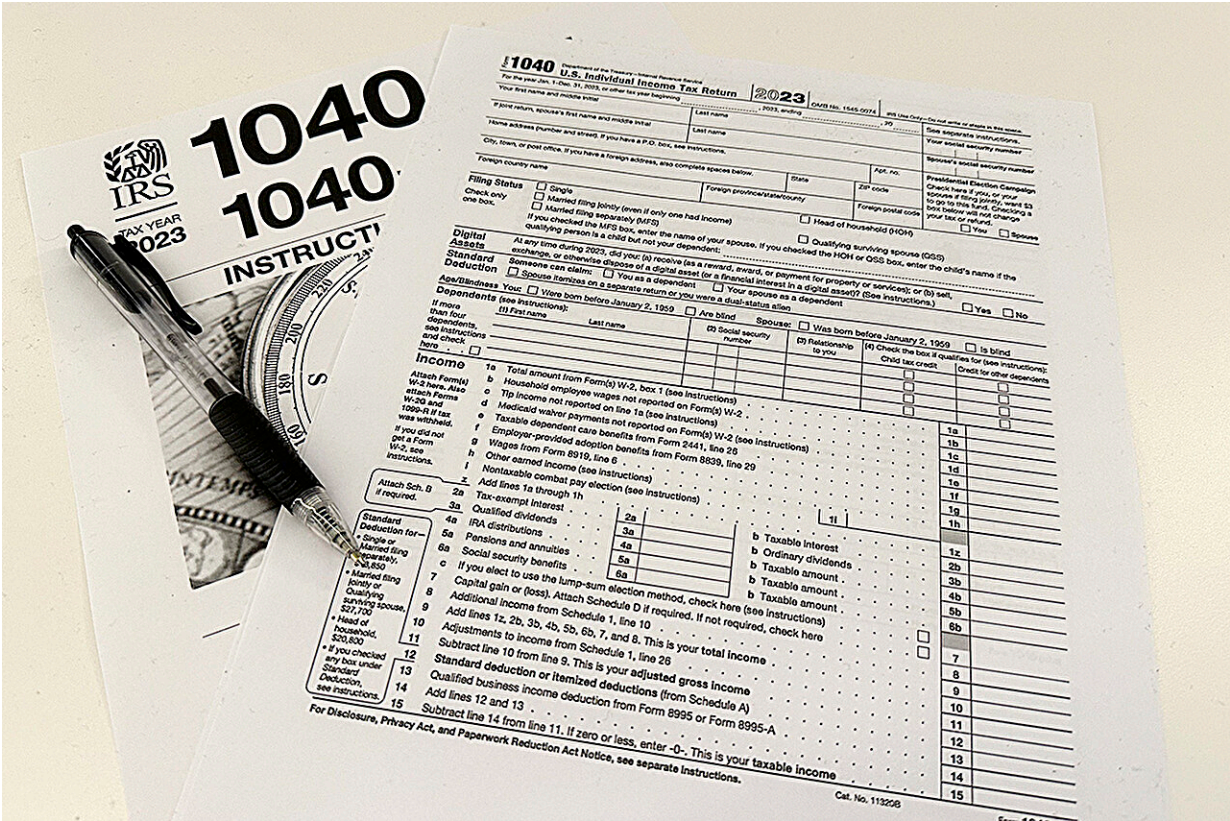


The IRS launches Direct File, a pilot program for free online tax filing available in 12 states

March 12 2024, by ADRIANA MORGA and FATIMA HUSSEIN



An Internal Revenue Service 2023 1040 tax form and instructions are shown on Jan. 26, 2024 in New York. It's tax season in the U.S., and for many people, filing tax returns can be a daunting task that's often left until the last minute. Credit: AP Photo/Peter Morgan, File

After weeks of testing, an electronic system for filing returns directly to

the IRS is now available to taxpayers from 12 selected states.

The new system, called Direct File, is a free online tool. Taxpayers in the selected states who have very simple W-2s and claim a standard deduction [may be eligible](#) to use it this tax season to file their federal income taxes. The program will also offer a Spanish version, which will be available starting at 1 p.m. Eastern Time on Tuesday.

"This is a milestone," said IRS Commissioner Daniel Werfel during a Tuesday press conference to announce the expanded availability of the program. Tax season officially began January 29 and the filing deadline is April 15.

"Direct File marks the first time you can electronically file a tax return directly with the IRS," Werfel said. "And you can't beat the price—its free."

The Treasury Department estimates that one-third of all federal income tax returns filed could be prepared using [Direct File](#) and that 19 million taxpayers may be eligible to use the tool this tax season. So far, roughly 20,000 people have participated in the pilot program, according to the IRS, and expect participation to grow to 100,000 filers in the coming weeks.

Certain taxpayers in Florida, New Hampshire, Nevada, South Dakota, Tennessee, Texas, Washington, Wyoming, Arizona, Massachusetts, California and New York can participate. Direct File can only be used to file federal income taxes, taxpayers from states that require filing state taxes will need to do so separately.

"Direct File will offer millions of Americans a free and simple way to file their taxes, with no expensive and unnecessary filing fees and no upselling, putting hundreds of dollars back in the pocket of working

families each year, consistent with President Biden's pledge to lower costs," said National Economic Advisor Lael Brainard.

Werfel said a component of the program that enhances filers' usability is the live chat feature that allows taxpayers to interact with the IRS while they complete their taxes.

The Direct File pilot is part of the agency's effort to build out a new government service that could replace some taxpayers' use of commercial tax preparation software, such as TurboTax. It's meant to be simple and provides a step-by-step walkthrough of easy-to-answer questions.

Derrick Plummer, a spokesman for Intuit, said in an email that Direct File "is not free tax preparation but a thinly veiled scheme that will cost billions of taxpayer dollars to pay for something already completely free of charge today."

"This scheme will cost billions of taxpayer dollars and will be unnecessarily used to pay for something already completely free of charge today," Plummer said.

Several organizations offer free online tax preparation assistance to taxpayers under certain income limits and fillable forms are available online on the IRS website, but the forms are complicated and taxpayers still have to calculate their tax liability.

When asked whether the Direct File program will likely be built out and available in the 2025 filing season, Werfel said, "I don't want to prematurely reach a conclusion," he said, but positive reports from users "have been encouraging."

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