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Direct File Pilot is an Example of How Government Should Work, Say Advocacy Groups

Following new data showing the pilot went above and beyond for taxpayers, organizations and users are urging lawmakers to expand the program in 2025

WASHINGTON–Taxpayers and advocacy organizations are urging lawmakers to expand the IRS' Direct File program after the Department of Treasury <u>announced remarkably high user</u> <u>satisfaction and taxpayer savings with this year's pilot</u>.

This year, for the first time, eligible taxpayers in 12 states were able to e-file their taxes for free directly with the IRS, thanks to the <u>Direct File pilot program</u>. Direct File users overwhelmingly reported a positive filing experience because the IRS followed software development best practices common in the industry and produced a product that meets taxpayers where they are, offering a mobile-first bilingual tool that is incredibly easy to use.

Today's data release from the IRS further confirms that the 2024 Direct File pilot was an incredible success. The pilot set out to test whether the government could provide a free, public filing service that worked for taxpayers, and a <u>90 percent satisfaction rate and net promoter</u> <u>score of +74</u> prove beyond the shadow of a doubt that Direct File works.

Groups with the <u>Coalition for Free and Fair Filing</u> are urging the IRS to move quickly to make this successful pilot a permanent program that will serve not just hundreds of thousands, but millions and even tens of millions of taxpayers. Organizational statements are below.

"The Direct File pilot is an extraordinary example of how civic tech can help make government work well for all," **said Anthony Silverman, senior program director for tax benefits at Code for America**. "Taxpayers' feedback regarding the easy, straightforward nature of the Direct File tool makes a clear case for expansion of this program. Code for America looks forward to continued collaboration with states so that all taxpayers can file a return with ease and, ultimately, all who are eligible can claim the tax benefits they're owed."

"The two essential things the IRS needed to do to make this year's pilot a success were to build a stable tool that worked and to make sure that users liked it and found it easy to use. Our <u>survey</u> shows that Direct File users loved this free and simplified tax filing option and found it simpler, cheaper, and faster," **said Adam Ruben, vice president of campaigns and political** **strategy at Economic Security Project**. "That makes this year a big win and a strong foundation for expanding Direct File next year to more states, more tax situations, and with the IRS filling in more of the data it already has."

"The hugely successful Direct File pilot is proof that investing in the IRS pays dividends for taxpayers," **said Igor Volsky, executive director of Groundwork Action.** "User response has been overwhelmingly positive, largely thanks to the fact that the IRS followed industry best practices during the pilot, resulting in a product that has been transformative for taxpayers. Today's data only further cements the need to make Direct File a permanent fixture of American tax administration."

"This information from the Treasury Department confirms what Public Citizen and our partners heard when speaking to organizations and individuals across the country: Direct File is a welcome, easy-to-use tool that saved people time and money and greatly lessened the headache of tax filing," **said Susan Harley, managing director of Public Citizen's Congress Watch division**. "Direct File is a shining example of the government working to better the lives of Americans and we congratulate the IRS on its work to provide a free choice when it comes to online tax filing software and we urge that Direct File be made a permanent option for filers, and to expand it across the nation while including a broader array of filing situations."

"The data on the Direct File tool pilot confirm what tax filers have known for years: free and fair tax filing is essential. RESULTS congratulates all who have participated in the tool's design, feedback, and rollout," **said Joanne Carter, executive director of RESULTS**. "We look forward to the Direct File tool's expansion so that millions of taxpayers can overcome barriers and avoid predatory fees that worsen poverty. We join our partners in calling for a permanent, widely available version of the Direct File tool that will connect filers to the tax credits that we know households use to lift themselves out of poverty."

User response has been overwhelmingly positive. Yesterday, Economic Security Project released a new <u>survey</u> which found Direct File users reported high levels of satisfaction, cost savings, and increased efficiency compared to other tax filing methods. **74% of Direct File users prefer Direct File to other methods of filing taxes, and 82% of Direct File users rated it 8-10 on likelihood they would recommend it to others.** Additional testimonials from users are below:

"My experience with Direct File was shockingly simple. I set aside an entire afternoon to do my taxes, and Direct File ended up only taking 15 minutes," **said 26-year-old Monica Shope of Oakland, California, who used Direct File this year.** "I've been using TurboTax for 6 years, but I will definitely use Direct File from now on for as long as it's (hopefully) offered!"

"It's long overdue for the federal government to provide a way for us to file our taxes directly. So when I learned the Direct File pilot was open to New Yorkers, I was excited to try it," **said Gabriella, a Direct File user from New York City.** "The process was relatively fast – no more than 45 minutes to file my federal taxes. I didn't have any moments where I was confused or wasn't sure what to do. And if I did have a question, there were icons you could hover over for more information. They did a really good job of making it accessible."

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The <u>Coalition for Free and Fair Filing</u> is supported by cross-cutting national, state, and grassroots organizations committed to taking the cost and headache out of tax filing for tens of millions of Americans by supporting the Internal Revenue Service's efforts to develop a free, simple, and publicly-owned online tax filing tool.