THE COALITION FOR FREE AND FAIR FILING

2024 Direct File State Tax Support, Explained

In 2024, for the first time, eligible taxpayers in 12 states will be able to file their federal tax returns directly with the IRS, for free. If they have state filing obligations, these Direct File taxpayers will be able to seamlessly file their state returns, too, through state-sponsored partner software. This document summarizes the known details of the state filing implementations.

This fact sheet was developed by the <u>Coalition for Free and Fair Filing</u>. Additional information about the 2024 pilot in general is available <u>here</u>.

State	State tool	Data automation	Details
Arizona	<u>Code for</u> <u>America state</u> filing tool	Yes . Federal return data is imported from Direct File.	Arizona is partnering with civic tech non-profit Code for America on a custom tool to support AZ state filing for Direct Filers. Upon completing the federal return, taxpayers will be sent to the state tool, and will consent to import the data they entered into Direct File. The tool will use this data to automate most of the state return. Taxpayers will answer a few more short questions specific to Arizona and efile their state return for free. The tool will be mobile-first and bilingual. <u>Read more</u> .
California	<u>CalFile</u>	Some. Some CA data is pre-populated, but federal return data is not imported from Direct File.	Upon completing the federal return, taxpayers will be sent to California's existing direct file system, CalFile. CalFile allows some taxpayers to pre-populate their state returns using data held by the CA tax department, including income and prior-year return information. However, CalFile will <i>not</i> import the data the taxpayer entered into Direct File, so taxpayers may have to repeat some data entry. <u>Read more</u> .
Massachusetts	<u>MassTaxConnect</u>	Yes . Federal return data is imported from Direct File.	Upon completing the federal return, taxpayers will be sent to Massachusetts's existing direct file system, MassTaxConnect, which is available through the state Department of Revenue website. Taxpayers will consent to import the data they entered into Direct File, and that information will be used to pre-populate the state form.

New York	<u>Code for</u> <u>America state</u> <u>filing tool</u>	Yes. Federal return data is imported from Direct File.	Like Arizona, New York is partnering with Code for America on a custom tool to support state filing for Direct Filers. See details in the <i>Arizona</i> row above. <u>Read more</u> .
Washington	<u>My DOR</u>	No . No data is imported from Direct File or other sources.	While Washington has no state income tax, eligible Washingtonians can file a simple state application to claim the state's Working Families Tax Credit. Upon completing the federal return, eligible taxpayers will be sent to the state's existing WFTC application form at My DOR, which is available through the state Department of Revenue website. Taxpayers will not be able to import their Direct File data and will have to repeat some data entry on their WFTC application.
Florida, New Hampshire, Nevada, South Dakota, Tennessee, Texas, Wyoming			No state income tax. ¹ Taxpayers are finished after filing their federal return.

¹ Alaska also has no state income tax, but is not a pilot state in 2024 because the vast majority of residents receive annual payments from the <u>Alaska Permanent Fund</u>, which represent an income source not supported by the 2024 pilot.