

GET THE FACTS: Direct File in 2025

IRS Direct File stands as the most significant technological advancement by the IRS in generations. Over the last two years, hundreds of thousands of taxpayers have successfully used IRS Direct File, saving taxpayers tens of millions in time and filing fees. The tool should be here to stay.

Unfortunately, this tax season has been marked by instability. Attacks on the IRS, and government functions more broadly, have sabotaged a widely popular tax program that was built to make government more efficient and save taxpayers money.

Direct File Fast Facts

- **Direct File is a secure, simple, and always free tax filing option provided by the IRS to help you reduce the cost and take out the headache of filing taxes.** The tool was first introduced as a pilot in 12 states for the 2024 tax season. Since then, it's grown to 25 states and 32 million eligible users.
- For years, advocates for free and fair filing have been pushing for a system that allows Americans to avoid the burden and high costs associated with filing taxes—a system from which taxpayers in [many other countries already benefit](#).
- **The feedback from users has been clear: this simple, secure tool saved them time and money**, with 90% rating their experience as excellent or above average in last year's pilot.
- Most Direct File users said they filed their taxes in less than an hour, and over three-quarters recommend it and prefer it to other ways of filing taxes. That's why the IRS decided to expand this into a permanent program following the pilot.
 - Direct File also seamlessly accommodated state taxes, by partnering with states and giving taxpayers the ability to export their federal data to state tools. Filers in states using FileYourStateTaxes, the solution built by Code for America, were typically able to file their state taxes in as little as six minutes

after their federal data was imported.

- Direct File is a popular way to make the government more efficient and provide better customer service. This is a way to make government work better – by getting people the tax refunds they have earned.
 - 86% of Direct File users in 2024 said that using Direct File increased their trust in the IRS.
 - [Direct File delivers \\$106 in benefits](#) to American taxpayers for every dollar invested in the program, between savings on tax preparation fees and access to untapped tax credits. Few programs deliver this kind of bargain.
 - [1 in 4 Direct File users in 2024 were non-filers the previous year—more than double the rate for any other type of filing](#)—meaning Direct File is opening access to tax filing in a real way to people previously locked out of important benefits.

The 2025 Data

- This year, hundreds of thousands of users used Direct File and the tool has earned a Net Promoter Score of +84, up 10 points from last year. (Above 70 is considered world class.)
- Though the IRS has yet to publish user data on all 25 states, data from Code for America on 2025 users in a cross-section of Direct File states (AZ, ID, MD, NC, and NJ, which use the Code for America-built FileYourStateTaxes tool for their state taxes) show the tool is once again an undeniable success.
 - Users give Direct File + FileYourStateTaxes a Net Promoter Score of +87, with 89% of users ranking their experience at 9 or 10 out of 10.
 - 94% prefer Direct File + FileYourStateTaxes to their previous filing method.
 - 98% were “satisfied” or “very satisfied” with their filing experience (of which 84% were “very satisfied”)
 - Median time to complete state return after federal data transfer: 6.5 minutes
- Direct File itself continues to grow and improve: this year a new function was introduced that allows taxpayers to pre-populate their returns with IRS data from their taxpayer accounts, W-2s, 1099-INTs, and 1095-As—a top priority for taxpayers and a revolutionary change to the tax filing process.

The Trump Effect

- Direct File is a new tool that represents a paradigm shift in the tax filing system, and requires time and ongoing outreach and promotion for taxpayers to know it's available for them. But as a result of sabotage by the new administration, the 2025 filing season has seen limited outreach efforts from the government to promote Direct File.
 - The Treasury team leading Direct File outreach was removed during the transition and not replaced.
 - Important IRS efforts to promote Direct File were significantly scaled back:
 - Last year, Direct File was first on the IRS's [heavily visited main free filing options page](#). This year, the page switches back and forth every minute between promoting Direct File and Free File (which purports to offer free filing through private tax prep companies but has been an [abject failure](#)).
 - Last year, the IRS hosted or participated in dozens of local events and helped place hundreds of local and [national news stories](#) promoting Direct File. This year, nearly none of this has happened due to an explicitly ordered deprioritization in Direct File and culling of IRS outreach and communications staff.
 - Given uncertainty and leadership instability at the agency, IRS public statements about Direct File have been scaled back. Even launches of major new functionalities like W-2 prepopulation were kept relatively quiet.
- On February 3, Trump aide Elon Musk tweeted, in response to a tweet about 18F, a now-defunct government tech team that helped federal agencies build modernized, user-centered digital services including Direct File, that the "group has been deleted." While this was referring to 18F (which was no longer working on Direct File at the time of the tweet), and while the White House corrected the report the next day, reporters and taxpayers alike interpreted the tweet as referring to Elon Musk having "deleted" Direct File.
 - This day of misinformation corresponded to, by far, [the highest online conversation ever about Direct File](#). Direct File usage immediately fell by roughly one quarter.

- The overall DOGE campaign in the federal government has also led to deeper concerns about taxpayers' data privacy. Some Direct File implementation partners refused to conduct outreach on Direct File, citing data security concerns in the wake of talks between DHS and IRS to hand over sensitive ITIN taxpayer data. The worry here was tax data of immigrant filers would be used to aid deportations by ICE.
- Some Direct File implementing partners have heard directly from taxpayers who had used Direct File that they were worried about how turmoil at the IRS might interfere with their returns or impact the program. Even for taxpayers who did use Direct File, this trepidation likely tempered their enthusiasm and any would-be word-of-mouth promotions, which is by far the most powerful outreach tactic.
- **The limited government support and the widespread perceptions of instability have had knock-on consequences for the program, especially in state governments.**
 - Several Direct File participant states, which were vocal about opting into the program in 2024, kept a very low profile through the filing season and limited their public support and outreach on Direct File. Many VITA sites did not promote Direct File due to unclear guidance from the IRS throughout the transition; others reported they did not want to print Direct File into their brochures because they were afraid it would be canceled and the brochures would become out of date.
 - States that had planned to join Direct File in the future have scaled back their plans. In Virginia, for example, the state legislature passed legislation repealing the circa-2012 law that was seen as banning the state from participating in Direct File. The Governor [vetoed this legislation](#), explicitly citing the [administration's announcements](#) on pausing technology upgrades as evidence that Direct File's ongoing existence was unlikely.

Despite all this instability — [layoffs at the IRS](#), three different commissioners resigning in three months, and an [agency-wide pause in technology modernization](#) — Direct File has continued to deliver for hundreds of thousands of users this tax season, receiving off-the-charts satisfaction ratings and saving taxpayers tens of millions of dollars in filing fees.

The only beneficiaries of a tax system without free and fair filing are wealthy tax cheats, the Big Tax Prep companies who steal millions from taxpayers each year, and the politicians they donate to. **Americans want a free, easy way to fulfill their legal obligation and file their taxes directly with the IRS.**