

THE COALITION FOR FREE AND FAIR FILING

May 14, 2024

The Honorable Daniel I. Werfel
Commissioner
Internal Revenue Service
1111 Constitution Avenue NW
Washington, D.C. 20224

The Honorable Janet Yellen
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, D.C. 20220

Dear Secretary Yellen and Commissioner Werfel,

Last summer, [many of us wrote to you](#) to celebrate the IRS Direct File report and your concurrent announcement that the IRS would pilot Direct File in 2024. We said then that “we believe that a free and accessible direct file tool will be transformational for American families.” We said the evidence showed that Direct File would be popular, and would save families time and money.

Nine months later, thanks to the incredible work of the IRS and its partners across the country, **it is clear that Direct File can and will transform the American tax filing system. You have proven that Direct File has the power to take the headache and cost out of filing taxes for tens of millions of Americans. As [one taxpayer put it](#), it was “just so darn easy.” We congratulate you on the outstanding work of the past year, and we call on you to make Direct File permanent and expand it in the coming years.**

Since last year, it has become only more evident that America’s tax filing system does not work for low- and middle-income families. In the first months of this year, after years of duplicitous marketing, [Intuit](#)

[was barred from promoting their products as free](#), and the [FTC sued H&R Block](#) for its own suite of deceptive advertising practices. (Both companies are challenging the FTC's actions.) Today, tens of millions of Americans continue to pay billions of dollars to file returns they are supposed to be able to file for free. The [Economic Security Project reported in March](#) that a mature Direct File program would save existing taxpayers \$11 billion in filing fees and time savings. Moreover, America's broken filing system leads millions of families to forego billions in refunds. ESP also estimated that Direct file would help families claim up to \$12 billion currently left on the table every year.

Meanwhile, research has continued to demonstrate that Direct File is a tremendously popular program. September 2023 Hart Research polling [showed 88% support for Direct File](#); and [GQR polling in February 2024](#) showed astronomical 94% support for Direct File in five key states. And, through the Coalition for Free and Fair Filing, groups have begun to build a mass movement supporting Direct File. Many of us were among the hundreds of national, state, and local organizations that promoted Direct File to our constituencies this year, empowered storytellers to talk about their experiences, recruited user research participants, and talked to our representatives at all levels of government to promote and support this work. And in the final weeks of the filing season, Direct File went absolutely viral, with [over 50,000 taxpayers using the tool in the final week alone](#). We have seen the tremendous excitement only continue to grow as Direct File reached more taxpayers, and we are ready to build on this foundation in the years to come.

Most importantly, you and your teams have proven the cynics wrong and shown that Direct File can and will work for taxpayers. The product made available this year was user-friendly and human-centered, and treated taxpayers with the dignity they deserve. The [complimentary feedback was pervasive](#), and [the reviews universally positive](#). [One taxpayer called it](#) “the most convenient way I've ever filed taxes.” Direct File's mobile-first design and bilingual functionality and live chat support powerfully demonstrated your team's commitment to accessibility. Thanks to your scaled rollout and iterative approach, Direct File launched smoothly and without incident. And the state filing integrations — identified in the Direct File report as a principal area to test in the pilot — [were also successful](#).

The Direct File pilot was designed to test whether this approach to free, public, electronic tax filing could work. There can be no doubt that the answer is a resounding “yes.” It is time to make Direct File a permanent fixture of the American tax system.

As you institutionalize Direct File, we expect that you will build on it in critical ways.

First, Direct File must quickly expand to more states. We know that this relies on states themselves, and indeed many of us are engaged in Coalition-driven work to support tax departments and governor's offices in our own states and across the country to prioritize Direct File integrations in the coming years.

Second, Direct File must expand to cover more tax situations — such as gig work income and other scenarios that apply to a broad swath of low- and middle-income Americans. We trust that as you build on Direct File's functionality you will continue to prioritize the tax needs of those families who can least afford to pay private preparers, and most need the support they access through the tax code.

Continuing to [engage families in the design and development of Direct File](#) will help keep the product focused on those who need it most.

Third, we believe Direct File can and should further streamline the tax filing process. Taxpayers struggle every year to collect their tax documents and provide data the IRS already has on file — and as the [Direct File report](#) indicated last year, some taxpayers expect that an IRS-provided filing tool would pre-populate their tax data. Secretary Yellen, [as you said earlier this year](#), it would be “very natural” to build on the product and add pre-population to Direct File. In fact, Direct File already took its first steps into pre-population late in the filing season, [pre-populating prior-year AGI](#). We urge you to build on this work in the coming years, [truly breaking down barriers for all tax filers](#).

Thank you, again, and congratulations on all the incredible work you have done to revolutionize the tax system, and build the 21st century tax administration our country deserves. We look forward to continuing to support this work to build a better, more equitable, and more universal tax system for the years to come, so that everyone can file their taxes online easily and for free.

Sincerely,

The undersigned 256 organizations, representing all 50 states, DC, and Puerto Rico

National organizations

20/20 Vision

AFL-CIO

Africa Faith and Justice Network (AFJN)

AFT

Alliance for a Just Society

American Family Voices

American Postal Workers Union, AFL-CIO

Americans for Tax Fairness

Autistic Self Advocacy Network

Center for American Progress

Center for Employment Opportunities

Center for Law and Social Policy (CLASP)

Center for Popular Democracy

Center for the Study of Social Policy

Change Machine

Children's Defense Fund

Children's HealthWatch

Coalition on Human Needs

Code for America

Color Of Change

Common Sense Media

Community Change

Congregation of Our Lady of Charity of the
Good Shepherd, U.S. Provinces

Consumer Action

Consumer Reports

Demand Progress Education Fund

Democrats Abroad

Economic Security Project

First Focus on Children

Food Research & Action Center

Georgetown Center on Poverty & Inequality

Groundwork Action

Health Care for America Now (HCAN)

Hispanic Federation

In the Public Interest

Income Movement

Indivisible

Institute on Taxation and Economic Policy

Jewish Women International

Jobs with Justice

Latino Farmers & Ranchers International, Inc.

MoveOn

My Money Story

National Advocacy Center of the Sisters of
the Good Shepherd

National Association of Social Workers

National Community Action Partnership

National Employment Law Project

National NeighborWorks Association

National Network for Youth

National Women's Law Center

NETWORK Lobby for Catholic Social Justice

Oxfam America

P Street

Parent and Caregiver Advisory Board of the
ABC Coalition

ParentsTogether Action

Patriotic Millionaires

People's Action

Propel

Prosperity Now

Public Citizen

Responsible Wealth

RESULTS

RESULTS Educational Fund

Revolving Door Project

Share Our Strength

Social Security Works

Social Work Grand Challenge to Reduce
Extreme Economic Inequality

State Innovation Exchange

State Revenue Alliance

Take on Wall Street

The Expectations Project

Unitarian Universalists for Social Justice

United for a Fair Economy

United Way of Greater Nashville

Universal Income Project

Working America

Young Invincibles

State / regional / local organizations

Advancing CT Together
AFSCME California
AFT Washington
Alabama Arise
All Home
Anne Arundel County Food Bank
Arizona Center for Economic Progress
Arkansas Advocates for Children and Families
Arkansas Asset Builders
Asian American Civic Association
Asset Building Coalition of Mason County
Better Wyoming
Beyond Careers
Boston Tax Help Coalition
Branches
Brazilian Women's Group
Brazilian Worker Center
Building Skills Partnership
California Alliance of Caregivers
California Competes: Higher Education for a Strong Economy
California Immigrant Policy Center
Capstone Community Action
CASH Campaign of Maryland
Catalyst Miami
Central Florida Jobs With Justice
Churches United for Fair Housing
Citizen Action of New York
Colorado Fiscal Institute
Common Good Iowa
Community Legal Services of Philadelphia
Community Spring
Connecticut Legal Services
Connecticut Voices for Children
Courage California
Culinary Union
DC Fiscal Policy Institute
Do Good LLC
East Texas Food Bank

Economic Opportunity Institute
Economic Progress Institute
Empire State Voices
End Poverty in California
Every Texan
Faith Action Network
Fayetteville Police Accountability Community Taskforce
Feeding Texas
Feeding Washington
Financial Empowerment Network of Washington State
Fiscal Policy Institute
Florida For All
Florida Policy Institute
Florida Rising
Food Bank of the Rio Grande Valley, Inc.
Georgia Budget & Policy Institute
Germanic-American Institute
GLIDE
Golden State Opportunity
GRACE/End Child Poverty CA
Granite State Organizing Project
Greater Boston Legal Services
Grow Brooklyn
Hablamos Español Florida
Hawaii Appleseed Center for Law and Economic Justice
Hawaii Children's Action Network Speaks!
High Ground Institute
Housing Action Illinois
Hunger Free Vermont
Indiana Community Action Poverty Institute
Indivisible Northern Nevada
Inland Empire Labor Council
Instituto del Desarrollo de la Juventud
Invest in Louisiana
ISAIAH (MN)
Just Harvest
Kansas Appleseed
Kentucky Center for Economic Policy
La Victoria Foundation

Latino Community Fund of Washington State
Louisiana Partnership for Children and Families
LSA Family Health Service
Main south CDC
Maine Center for Economic Policy
Maine Equal Justice
Maine People's Alliance
Maryland Center on Economic Policy
Massachusetts Budget and Policy Center
Massachusetts Law Reform Institute
MCCOY (Marion County Commission on Youth)
MDC
Meals4Families
Michigan League for Public Policy
Minnesota Budget Project
Minnesota's Prenatal to Three Coalition
Mississippi Center for Justice
Missouri Budget Project
Montana Budget & Policy Center
Mountain State Justice, Inc.
National Consumer Law Center (on behalf of its low-income clients)
National Council of Jewish Women Los Angeles
NC Budget & Tax Center
Nehemiah Gateway CDC
New Jersey Policy Perspective
New Mexico Interfaith Power and Light
New Mexico Voices for Children
New York Immigration Coalition
North Dakota KIDS COUNT
North Texas Area United Way
Northern Santa Barbara County United Way Inc
Northwest Progressive Institute
Oklahoma Policy Institute
OnTrack Financial Education and Counseling
OpenSky Policy Institute
Oregon Center for Public Policy
Partnership for Community Action

Pennsylvania Policy Center
Pisgah Legal Services
Policy Matters Ohio
Positive Childhood Alliance North Carolina
Prepare + Prosper
PRISM
Prosperity Indiana
Public Assets Institute
Public Justice Center
RAISE Texas
RESULTS-Alaska
RESULTS-Delaware
RESULTS-Fort Mill, SC
RESULTS-Indiana
RESULTS-Kentucky
RESULTS-Massachusetts
RESULTS-MS
RESULTS-North Carolina
RESULTS-North Dakota
RESULTS-South Carolina
RESULTS-Tennessee
RESULTS-Wisconsin
Rise Up WV
San Diego for Every Child
SC Appleseed Legal Justice Center
Schuyler Center for Analysis & Advocacy
Seattle/King County Coalition on Homelessness
Shriver Center on Poverty Law
SimplifyCT
South Dakota KIDS COUNT
Southeastern Vermont Community Action (SEVCA)
Statewide Poverty Action Network (WA)
TakeAction Minnesota
The Arc of South Carolina
The Commonwealth Institute for Fiscal Analysis
The Cooperative Ministry
The Middleburg Institute
Tygart Valley United Way

UnitarianUniversalist Fellowship Hidalgo
County Texas
United Way of Greater Los Angeles
United Way of King County
United Way of New York City
United Ways of California
United Ways of the Pacific North West
Urban Affairs Coalition
Urban League of Greater Chattanooga
Vermont Asylum Assistance Project
Vermont Legal Aid
Vermont Low Income Taxpayer Clinic
Virginia Organizing
VOCAL-TX
Voices for Utah Children
Voices for Vermont's Children
Washington Anti-Hunger & Nutrition
Coalition
Washington Community Alliance
Washington Physicians for Social
Responsibility
Washington State Budget and Policy Center
West Virginia Center on Budget and Policy
Western Center on Law & Policy
Western SD Community Action
William E. Morris Institute for Justice
Women Employed
Worcester Community Action Council
Wyoming Community Foundation
YMCA Southcoast