## Congress of the United States

Washington, DC 20515

April 21, 2025

The Honorable Scott Bessent Secretary Department of the Treasury 1500 Pennsylvania Avenue NW Washington, DC 20220 Michael Faulkender Acting Commissioner Internal Revenue Service 1111 Constitution Avenue NW Washington, D.C. 20224

Dear Secretary Bessent and Acting Commissioner Faulkender:

We write in response to public reporting indicating that the Trump Administration plans to end the Internal Revenue Service's (IRS) Direct File program.<sup>1</sup> Ending this free, easy-to-use, and popular program would be an insult to American taxpayers, eliminating an important alternative to commercial options provided by the tax prep industry. We write to seek your written commitment that you will preserve and expand Direct File for next year's tax filing season and beyond.

In the first two years of its existence, Direct File has already delivered significant benefits to taxpayers across the country. In 2024, during the program's pilot phase, Direct File saved the average user \$160 in return fees and hours of effort preparing their return.<sup>2</sup> Ninety percent of users rated their experience with the program positively.<sup>3</sup> A year later, Direct File has improved in important ways. For this year's tax filing season, Direct File was accessible in 25 states and used pre-populated taxpayer data to make the filing process smoother.<sup>4</sup> Users delivered rave reviews: 98 percent of Direct File taxpayers in 2025 were "satisfied" or "very satisfied" with their experience, a world-class figure.<sup>5</sup>

https://betterirs.org/wp-content/uploads/sites/283/CFFF-End-of-Tax-Season-Statement.pdf.

<sup>&</sup>lt;sup>1</sup>Associated Press, "Trump administration plans to end the IRS Direct File program for free tax filing, AP sources say," Fatima Hussein, April 17, 2025, <u>https://apnews.com/article/irs-direct-file-tax-returns-free-trump-4bb0bca02fab9b3d06ae6f45ac67b7ab</u>.

<sup>&</sup>lt;sup>2</sup> Economic Security Project, "The Impact of Direct File—by the Numbers," Gabriel Zucker and Bharat Ramamurti, <u>https://economicsecurityproject.org/wp-content/uploads/Full-Report\_-The-Impact-of-Direct-File-by-the-Numbers.pdf</u>.

<sup>&</sup>lt;sup>3</sup> Internal Revenue Service, "IRS Direct File Pilot Program: After Action Report," May 3, 2024, p. 3, <u>https://www.irs.gov/pub/irs-pdf/p5969.pdf</u>.

<sup>&</sup>lt;sup>4</sup> Tax Policy Center, "Most Americans Are Interested in Using IRS Direct File to Prepare and File Their Taxes," Aravind Boddupalli, Margot Crandall-Hollick, Michael Karpman, Noah Kennedy, March 26, 2025,

https://taxpolicycenter.org/briefs/most-americans-are-interested-using-irs-direct-file-prepare-and-file-their-taxes. <sup>5</sup> Coalition for Free and Fair Filing, "High user satisfaction marks a second year of success for IRS Direct File tool despite Trump Administration threats," press release, April 15, 2025,

However, the tax prep industry has fought Direct File at every turn, even before its inception.<sup>6</sup> It's no secret why: a free, easy-to-use tax filing program requires the industry to compete for taxpayer business and is a direct threat to the industry's bottom line. Accordingly, these companies have spent millions on lobbying in the hopes of ending Direct File, encouraging Republican Members of Congress to ask the Trump Administration to kill the program.<sup>7</sup>

New reporting indicates that the Trump Administration "plans to eliminate the IRS' Direct File program."<sup>8</sup> But even before this reporting, the Trump Administration had been sabotaging Direct File's success since taking office. For example:

- The Trump Administration fired the team at the Department of the Treasury that had been running awareness campaigns about Direct File.<sup>9</sup>
- The Trump Administration dramatically scaled back communications efforts at the IRS and Treasury to promote Direct File. In contrast to the Biden Administration's efforts last year, the Trump Administration issued almost no public statements promoting the program and did little to partner with local organizations and media outlets to promote Direct File.<sup>10</sup>
- Elon Musk, the head of the Department of Government Efficiency (DOGE), tweeted that 18F, a group that helped agencies build digital services like Direct File, had been "deleted."<sup>11</sup> In response to the tweet, public reporting, with little pushback from the Trump Administration, suggested that Direct File had been ended as well.<sup>12</sup> While Direct File remained operational after Musk's tweet, "Direct File usage immediately fell by roughly one quarter."<sup>13</sup>

<sup>10</sup> Coalition for Free and Fair Filing, "GET THE FACTS: Direct File in 2025,"

<sup>13</sup>Coalition for Free and Fair Filing, "GET THE FACTS: Direct File in 2025,"

<sup>&</sup>lt;sup>6</sup> ProPublica, "Inside TurboTax's 20-Year Fight to Stop Americans From Filing Their Taxes for Free," Justin Elliott and Paul Kiel, October 17, 2019, <u>https://www.propublica.org/article/inside-turbotax-20-year-fight-to-stop-americans-from-filing-their-taxes-for-free</u>.

<sup>&</sup>lt;sup>7</sup> NOTUS, "The Tax Lobby Is Gunning for the End of Free Direct File," Taylor Giorno, April 1, 2025, <u>https://www.notus.org/money/turbotax-lobby-tax-prep-direct-file</u>; Public Citizen, "House Republicans do the Bidding of Big Tax Prep," Mike Tanglis, January 30, 2025, <u>https://www.citizen.org/article/house-republicans-do-the-bidding-of-big-tax-prep/</u>.

<sup>&</sup>lt;sup>8</sup> Associated Press, "Trump administration plans to end the IRS Direct File program for free tax filing, AP sources say," Fatima Hussein, April 17, 2025, <u>https://apnews.com/article/irs-direct-file-tax-returns-free-trump-4bb0bca02fab9b3d06ae6f45ac67b7ab</u>.

<sup>&</sup>lt;sup>9</sup> Morningstar, "Taxpayers love the IRS's free Direct File tax-prep tool. The program may still be doomed," Andrew Keshner, April 15, 2025, <u>https://www.morningstar.com/news/marketwatch/20250415382/taxpayers-love-the-irss-free-direct-file-tax-prep-tool-the-program-may-still-be-doomed</u>.

https://betterirs.org/wp-content/uploads/sites/283/GET-THE-FACTS\_-Direct-File-in-2025.pdf.

<sup>&</sup>lt;sup>11</sup>Associated Press, "Trump administration plans to end the IRS Direct File program for free tax filing, AP sources say," Fatima Hussein, April 17, 2025, <u>https://apnews.com/article/irs-direct-file-tax-returns-free-trump-4bb0bca02fab9b3d06ae6f45ac67b7ab</u>.

<sup>&</sup>lt;sup>12</sup> Axios, "IRS Direct File still accepting tax returns after Musk post," Kelly Tyko, February 4, 2025, <u>https://www.axios.com/2025/02/04/taxes-irs-refund-direct-file-elon-musk</u>; USA Today, "Elon Musk says he 'deleted' IRS Direct File. Can taxpayers still use the free service?," Daniel de Vise, February 4, 2025,

https://www.usatoday.com/story/money/2025/02/04/did-elon-musk-delete-free-irs-tax-preparation/78193236007/, The Daily Beast, "Musk Says He's 'Deleted' Popular Free IRS Tax Filing Program," Nandika Chatterjee, February 3, 2025, https://www.thedailybeast.com/musk-says-hes-deleted-popular-free-irs-tax-filing-program.

https://betterirs.org/wp-content/uploads/sites/283/GET-THE-FACTS\_-Direct-File-in-2025.pdf.

• According to partners and state governments, uncertainty about Direct File's future and the future of the IRS itself created by DOGE's attacks on the IRS and public reports of DOGE's improper access to taxpayer data may also have hampered the program's success.<sup>14</sup>

The Trump Administration's dismantling of a program that makes tax filing easier and free for millions of Americans is shameful. Taxpayers have spoken loudly and clearly: Direct File works well for them, and more Americans want access to it.<sup>15</sup> On behalf of those taxpayers, we seek your written commitment by May 5, 2025 that you will preserve and expand Direct File for the 2026 tax season and beyond.

Thank you for your attention to this important matter.

Sincerely,

Elizabeth Warren United States Senator

Mazie K. Hirono United States Senator

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Raphael Warnock United States Senator

Ron Wyden United States Senator Ranking Member, Committee on Finance

Richard Blumenthal United States Senator

Christopher A. Coons United States Senator

<sup>&</sup>lt;sup>14</sup> Washington Post, "Musk's DOGE seeks access to personal taxpayer data, raising alarm at IRS," Jacob Bogage and Jeff Stein, February 16, 2025, <u>https://www.washingtonpost.com/business/2025/02/16/doge-irs-access-taxpayer-data/</u>.

<sup>&</sup>lt;sup>15</sup> Tax Policy Center, "Most Americans Are Interested in Using IRS Direct File to Prepare and File Their Taxes," Aravind Boddupalli, Margot Crandall-Hollick, Michael Karpman, Noah Kennedy, March 26, 2025, <u>https://taxpolicycenter.org/briefs/most-americans-are-interested-using-irs-direct-file-prepare-and-file-their-taxes</u>.

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