

IRS News Release

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IRS and Free File Alliance Sign One-Year Renewal of Partnership

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WASHINGTON — The Internal Revenue Service and the Free File Alliance, have signed a one-year extension for their partnership that makes free tax software available to the nation's taxpayers.

Free File is the free federal tax preparation and e-file service offered through brand-name software or online fillable forms. The software is available for taxpayers who earn \$58,000 or less, which is 70 percent of taxpayers. Free File Fillable Forms is available to taxpayers who earn more than \$58,000 and who are comfortable preparing their own federal return.

More than 3 million taxpayers have used Free File so far this year – a nearly 10 percent increase and the first double-digit increase in program usage in several years. Much of this increase is attributable to a new look and feel for the IRS Free File web site, redesigned to make it easier for taxpayers to find the information they need and route to the software they want.

"Free File has helped millions of taxpayers prepare their taxes, and we look forward to continuing this important program," said IRS Commissioner John Koskinen. "The Free File program saw increased use this year, a reflection of the value of this innovative effort."

The extension agreement includes specific language that a full renegotiation of the five-year Agreement/Memorandum of Understanding will begin in June. The IRS and the Free File Alliance currently intend to enter into a multi-year agreement prior to the expiration of this extension.

The current five year agreement expires in October. The one-year extension provides the IRS and FFI time to shape a longer term agreement to include innovations to the twelve year old Free File program in order to grow e-file, improve quality and reduce taxpayer burden.

Free File has played a key role in IRS' strategy for growing e-file. Nearly 43 million taxpayers have used Free File since it debuted in 2003. Using a conservative \$30 tax prep fee, this means Free File users have saved nearly \$1.3 billion.

Free File is still available through October 15 for extension filers at www.irs.gov/freefile.