

TAXPAYERS CAN E-FILE FEDERAL AND STATE RETURNS TOGETHER

WASHINGTON -- While taxpayers filing paper returns have to be sure they don't mix up their federal and state tax forms, those who file electronically can let a computer do that work for them. In most places, e-filers can send their federal and state returns in a single transmission of data. More than six million taxpayers have already done so, an increase of 30 percent over this time last year.

Federal/state e-filers usually send both returns through a transmitter to the Internal Revenue Service, which then forwards the state return information to the state tax agencies for their processing. In four states -- California, Maine, Massachusetts and Minnesota -- the transmitters electronically route the federal and state data to the respective agencies. Only two states with income taxes do not offer computer filing for state returns -- Hawaii and Vermont -- but both may join the IRS Federal/State e-file program next year.

Taxpayers can e-file their federal/state combo either through tax professionals or from their home computers. Many of the volunteer sites under the IRS-sponsored Volunteer Income Tax Assistance or Tax Counseling for the Elderly programs offer free e-filing for those who come to them. Taxpayers can locate volunteer sites in their communities by calling the IRS at 1-800-829-1040.

"Our partnership with the states gives taxpayers the same benefits for their state tax returns -- greater accuracy, faster refunds and an acknowledgment of filing -- that they enjoy for their federal returns," said Robert Barr, IRS Assistant Commissioner for Electronic Tax Administration. "Taxpayers are responding strongly and positively to the electronic tax options the IRS and the state tax agencies are offering."

Twenty-eight states and the District of Columbia also offer telephone filing for their returns. Two of them -- Indiana and Kentucky -- are again partnering with the IRS to offer their taxpayers a joint federal/state TeleFile.

As of Feb. 18, the IRS had received 18.4 million e-filed returns, 57 percent of all returns received. The IRS has processed \$43.2 billion in refunds for 22.8 million taxpayers. At \$1,893, the average refund is six percent higher than this time last year.

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[EDITORS' NOTE: States participating in e-filing programs are listed below]

FEDERAL/STATE COMPUTER FILING TO THE IRS

Alabama	Illinois	Missouri	Oklahoma
Arizona	Indiana	Montana	Oregon
Arkansas	Iowa	Nebraska	Pennsylvania
Colorado	Kansas	New Jersey	Rhode Island
Connecticut	Kentucky	New Mexico	South Carolina
Delaware	Louisiana	New York	Utah
Dist. Columbia	Maryland	North Carolina	Virginia
Georgia	Michigan	North Dakota	West Virginia
Idaho	Mississippi	Ohio	Wisconsin

FEDERAL/STATE TELEFILING TO THE IRS

Indiana	Kentucky
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COMPUTER FILING DIRECTLY TO STATE TAX AGENCIES

California	Massachusetts
Illinois *	Minnesota
Maine	New York *
Maryland *	

[* also receiving returns through the IRS federal/state e-filing program]

TELEFILING DIRECTLY TO STATE TAX AGENCIES

Arkansas	Illinois	Minnesota	Pennsylvania
California	Iowa	Mississippi	South Carolina
Colorado	Kansas	Missouri	Utah
Connecticut	Louisiana	Montana	Vermont
Delaware	Maine	Nebraska	Virginia
Dist. Columbia	Massachusetts	New Jersey	Wisconsin
Idaho	Michigan	Ohio	

2000 FILING SEASON STATISTICS

Cumulative through the week ending 2/19/99 and 2/18/00

	<u>1999</u>	<u>2000</u>	<u>% Change</u>
Individual Income Tax Returns			
Total Receipts	31,545,000	32,237,000	2.2
Total Processed	21,318,000	24,827,000	16.5
E-filing Receipts:			
TOTAL	16,217,000	18,432,000	13.7
TeleFile (phone)	3,512,000	3,140,000	-10.6
Computer	12,705,000	15,292,000	20.4
Tax Professionals	11,862,000	13,547,000	14.2
Self-prepared	843,000	1,745,000	107.0
Refunds Certified by the Martinsburg Computing Center:			
Number	19,644,000	22,828,000	16.2
Amount of principal	\$35.052 billion	\$43.205 billion	23.3
Average refund	\$1784	\$1893	6.1
Direct Deposit Refunds:			
Number	11,588,000	14,167,000	22.3
Amount	\$25.580 billion	\$32.215 billion	25.9