

IRS News Release

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2003 FILING SEASON BEGINS WITH NEW FEATURES ON IRS.GOV

WASHINGTON – Americans will find new Web site features, expanded free e-filing options and more helpful services as the Internal Revenue Service opens the 2003 tax filing season. Taxpayers also will see reduced tax rates, more deductions and fewer forms to file.

This week, more than 38 million tax packages and 25 million electronic-filing brochures will begin arriving in peoples' mailboxes. The IRS estimates about 132 million individual returns will be filed this year. The mailing of tax packages has traditionally kicked off the filing season, but millions of taxpayers each year abandon paper returns in favor of going electronic.

Taxpayers will be provided with more options than ever with expanded online assistance at IRS.gov. Key changes being introduced for the 2003 filing season include:

- Taxpayers can check on the status of their refund by visiting the "Where's My Refund" section on IRS.gov.
- For the first time, more than 60 percent of all taxpayers will be able to prepare and electronically file tax returns for free on the Internet. The IRS Free File program, offered through private-sector partners, will be available beginning in mid-January through IRS.gov.

"The IRS makes history this year with new electronic services for taxpayers. We want to make it easier than ever for taxpayers to get help, and IRS.gov does just that," said IRS Acting Commissioner Bob Wenzel. "People can use the Web site to answer many of their tax questions. They can use IRS.gov to find options for free e-filing programs. And taxpayers can use the Web site to determine whether their refunds are on the way."

The IRS.gov Web site is available 24 hours a day, seven days a week. The 2002 Instructions for Form 1040, which many Americans will receive in the mail this week, contains a partial listing of helpful publications that can be viewed on-line or ordered by calling 1-800-TAX-FORM. The IRS.gov Web site also contains plain-language explanations for many tax issues. Publication 17, Your Federal Income Tax, also is a plain-language guide for individuals and can be viewed on-line.

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“The IRS.gov Web site already is one of the busiest in the world. We urge taxpayers to give it a try this year. They will find it helpful and easy to use,” Wenzel said. “We’re trying to provide taxpayers with as many options as possible to get help when they need it. IRS.gov is at the ready with a click of a mouse.”

Another new IRS.gov feature is “Where’s My Refund?” which will be highlighted on the home page. Taxpayers can easily check the status of their refunds by using a little information found on their tax return:

- Taxpayer’s name (on a joint return, the first listed);
- Social Security Number (on a joint return, the first listed);
- Filing status (single, head of household, married filing jointly, married filing separately, or qualifying widow(er) with dependent child);
- Refund amount claimed.

With just a little information, taxpayers can use IRS.gov to track their refund status. “Where’s My Refund?” also can tell taxpayers if the IRS has received their tax return. It can let them know if there is a problem and how to resolve the problem. For those who do not use direct deposit, the “Where’s My Refund?” feature also can tell taxpayers if the IRS was unable to deliver their refund through the mail.

“Taxpayers instantly can answer the question that most concerns them: Where’s my refund?” Wenzel said. “The feature will tell taxpayers if the check is on its way. It will tell them when the refund was deposited or mailed. And it will tell them if a mistake is being corrected.”

In addition to “Where’s My Refund?” on IRS.gov, there is a toll-free refund hotline at 1-800-829-1954. Taxpayers will need the same information as for the Web site to find out the status of their refund.

In another landmark step, an agreement between the IRS and a consortium of participating tax software companies means more than 60 percent of Americans will be eligible for free tax preparation and electronic filing. More information on who will qualify for Free File will be announced later this month. The program, which will be featured on the front page of IRS.gov, promises new avenues to easy electronic filing for millions of Americans.

IRS e-file already receives raves. The American Customer Satisfaction Index survey of electronic filers found a satisfaction score of 78 out of 100. That’s a better score than many private companies receive and one of the highest in the federal government.

Last year, a record 47 million tax returns were filed through IRS e-file. E-filed returns, when combined with direct deposit, may mean refunds within 10 days. Refunds from paper-filed returns can take up to six weeks.

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“We started IRS e-file in 1986, but in recent years there’s been a phenomenal growth in electronic filing. Millions of people recognize its convenience and security,” Wenzel said.

Other 2002 tax year highlights for taxpayers include:

- Reduced tax rates. Most tax rates have decreased by ½ percent and a new 10 percent tax rate applies to all filers.
- Schedule B. Most taxpayers won’t have to file a separate Schedule B unless either their interest or dividend income exceeds \$1,500. The change means 15 million taxpayers will have one less form to fill out. Previously, taxpayers had to complete a Schedule B if they had more than \$400 in either taxable interest or dividends.
- Tax deduction for teachers. Educators may deduct up to \$250 in out-of-pocket expenses they paid for classroom supplies.
- More working families may qualify for the Earned Income Tax Credit as a new law excludes nontaxable income such as supplemental military pay for housing or combat from the credit computation.
- Deduction for tuition and fees. Taxpayers may be able to deduct up to \$3,000 of qualified tuition and fees paid in 2002 for higher education for themselves, their spouses or dependents.
- Retirement Savings Credit. Taxpayers who meet certain income guidelines may be able to take a credit of up to \$1,000 for qualified retirement savings contributions.

In addition, the personal exemption increases to \$3,000. For those taxpayers who do not itemize, the standard deduction increases to \$4,700 for single, \$6,900 for head of household and \$7,850 for married filing jointly. Also, the maximum Individual Retirement Arrangement contribution increased to \$3,000 for the 2002 tax year (\$3,500 for taxpayers 50 and over in 2002).

The IRS.gov Web site also is a good source to explore what tax changes are in effect for the 2002 tax year. The Newsroom section contains many news releases and fact sheets on recent changes. Publication 553, Highlights of 2002 Tax Changes, will provide detail on tax law changes of interest to individuals and businesses.

The IRS also is introducing some new toll-free telephone numbers this year to expand customer services to individuals and businesses.

Small businesses, corporations, partnerships and trusts that need help or information related to business returns can call 1-800-829-4933. Individuals needing tax help can call 1-800-829-1040 to speak to a customer service representative or arrange a visit at a Taxpayer Assistance Center. Individuals can call 1-800-829-4477 to hear pre-recorded tax information. Individuals, businesses and tax professionals can call 1-800-829-3676 to order forms, instructions and publications.

For the 2003 filing season, help is just a computer click or telephone call away.

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