

IRS News Release

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Strong Filing Season Produces E-file Records

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WASHINGTON — The Internal Revenue Service released statistics today from the recently completed filing season that show electronic filing reaching 60 million returns and home computer usage jumping more than 21 percent.

“We saw continued strong growth in the e-filing program this year,” said IRS Commissioner Mark W. Everson. “It seems safe to say that next year we will reach a milestone with half of all individual returns being processed electronically.”

IRS statistics released today are through April 30, which includes the flood of April 15 deadline returns. The numbers show a strong filing season in several categories:

- **E-file sets record.** E-file reached just under 60 million, a 15.4 percent increase. That shattered the total number of electronic returns for all of last year by 7 million.
- **Home computer use soars.** Self-prepared tax returns that were e-filed by computer jumped 21.7 percent, topping 14 million.
- **Tax professionals go electronic.** Tax professional use of e-file jumped 15.8 percent, with 41.7 million filing electronic this year.
- **Free File reaches new mark.** In its second year, the public-private partnership between the IRS and a consortium of tax software companies saw 3.4 million taxpayers use the free on-line filing service. That’s a 22 percent increase from last year.
- **IRS.gov and “Where’s My Refund?”** usage increases. The IRS web site continued to see more use from taxpayers this year, including the “Where’s My Refund?” feature. There were more than 19.2 million inquiries to the on-line service to check on refunds, another record.
- **Direct Deposit grows.** Nearly 47 million taxpayers chose direct deposit of refunds this year, an 11 percent increase from the 2003 record.

These numbers will continue to grow through the Aug. 15 extension deadline and the Oct. 15 deadline for those seeking a second extension.

“This year shows a clear trend line developing with e-filing,” Everson said. “The number of e-filers jumped 15 percent this year. E-file has more than doubled in size during the past five years.”

Everson also noted the Free File program enjoyed a successful second year. Free File, which remains available through IRS.gov, gives taxpayers free access to the benefits of online tax preparation and e-filing.

“I’m gratified that Free File showed strong growth,” Everson said. “This is an important program. Free File helps taxpayers in underserved and disadvantaged communities, and it’s working,” Everson said.

Each private company sets its own eligibility requirements for the Free File program. The IRS hosts the Free File Web page, but the online tax preparation occurs on the companies’ Web sites. The companies file the returns using IRS’s secure e-file transmission system.

Everson also praised IRS workers, tax professionals and tax volunteers for putting in long hours to help produce a strong filing season.

“Their hard work and dedication gave the IRS a smooth, successful filing season,” Everson said.

2004 FILING SEASON STATISTICS

Cumulative through the week ending 5/2/03 and 4/30/04

	<u>2003</u>	<u>2004</u>	<u>% Change</u>
Individual Income Tax Returns			
Total Receipts	120,631,000	121,421,000	0.7
Total Processed	101,012,000	103,422,000	2.4
E-filing Receipts:			
TOTAL	51,779,000	59,745,000	15.4
TeleFile (phone)	4,014,000	3,758,000	- 6.4
Computer	47,765,000	55,987,000	17.2
Tax Professionals	36,046,000	41,724,000	15.8
Self-prepared	11,719,000	14,263,000	21.7
Tax Year 2003 Refunds Certified:			
Number	87,678,000	89,321,000	1.9
Amount of principal	\$ 172.274 billion	\$ 184.284 billion	7.0
Average refund	\$1,965	\$2,063	5.0
Direct Deposit Refunds:			
Number	42,427,000	46,963,000	11.0
Amount	\$ 99.539 billion	\$114.131 billion	15.0
Average	\$2,346	\$2,430	3.6