

IRS News Release

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IRS e-file and Direct Deposit Continue to Outpace Last Year's Results

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WASHINGTON —The Internal Revenue Service announced today that electronic filing continues to show a strong increase, with e-filed tax returns running almost 6 percent ahead of last year. The biggest increase is being seen in home computer use, which is up 14 percent.

"People are filing electronically in record numbers," said IRS Commissioner Mark W. Everson. "We are committed to using technology to make tax filing easier, including filing electronically and using services available on IRS.gov."

People e-filed 39.2 million returns through March 4 – up 2.1 million over last year's numbers.

Out of 55 million returns filed as of March 4, 72 percent of them were e-filed – up from 67 percent the previous year. While this percentage will decline as April 15 approaches, the IRS expects for the first time to have more than half of all individual tax returns filed electronically.

Out of tax returns e-filed so far, the biggest increase is among those who prepare their own returns on a home computer – 9.8 million returns, up more than 14 percent over results from the same period last year.

The jump in computer use coincides with another strong year from the Free File program. The IRS and a consortium of tax software manufacturers offer free services through Free File, which is available at IRS.gov. More than 3 million returns came in through Free File through March 2, which is a 43 percent increase from 2.15 million returns for the same period last year.

Record numbers of individuals are choosing to have their refunds directly deposited into their bank accounts. So far this year 72, percent of all deposits are through direct deposit – up from 68 percent over the same period last year.

Taxpayers who e-file and choose direct deposit get their refunds in half the time of those who file a paper return. Even paper filers, however, can get the benefit of direct deposit by choosing that option on their tax forms; they will get their refunds a week sooner than waiting for a paper check.

2005 FILING SEASON STATISTICS

Cumulative through the week ending 3/05/04 and 3/04/05

	<u>2004</u>	<u>2005</u>	<u>% Change</u>
Individual Income Tax Returns			
Total Receipts	55,492,000	54,566,000	-1.7
Total Processed	49,852,000	50,153,000	0.6
E-filing Receipts:			
TOTAL	37,124,000	39,214,000	5.6
TeleFile (phone)	2,713,000	2,303,000	-15.1
Computer	34,411,000	36,911,000	7.3
Tax Professionals	25,880,000	27,155,000	4.9
Self-prepared	8,531,000	9,756,000	14.4
Tax Year 2004 Refunds Certified:			
Number	45,953,000	44,931,000	-2.2
Amount of principal	\$100.257 billion	\$106.517 billion	6.2
Average refund	\$2,182	\$2,371	8.7
Direct Deposit Refunds:			
Number	31,158,000	32,419,000	4.0
Amount	\$78.020 billion	\$86.849 billion	11.3
Average	\$2,504	\$2,679	7.0