INTERNAL REVENUE SERVICE

IRS News Release

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IRS e-file Up 6 Percent

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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 more than 6 percent ahead of last year. The biggest increase is being seen in home computer use, which is up more than 14 percent.

People e-filed 42.7 million returns through March 11 – up 2.5 million over last year's numbers.

"E-filing continues to show strong growth," 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."

Out of 61 million returns filed as of March 11, almost 70 percent of them were e-filed – up from 65 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 – 10.6 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 3.33 million returns came in through Free File through March 9, which is a 44 percent increase from 2.32 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 69, percent of all deposits are through direct deposit – up from 65 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.

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2005 FILING SEASON STATISTICS

Cumulative through the week ending 3/12/04 and 3/11/05

	2004	2005	% Change
Individual Income Tax Returns			
Total Receipts	62,038,000	61,326,000	-1.1
Total Processed	56,793,000	57,019,000	0.4
E-filing Receipts:			
TOTAL	40,229,000	42,731,000	6.2
TeleFile (phone)	2,852,000	2,431,000	-14.8
Computer	37,377,000	40,300,000	7.8
Tax Professionals	28,136,000	29,708,000	5.6
Self-prepared	9,241,000	10,592,000	14.6
Tax Year 2004 Refunds Certified:			
Number	51,945,000	51,743,000	-0.4
Amount of principal	$111.728 billion	$118.678 billion	6.2
Average refund	$2,151	$2,294	6.6
Direct Deposit Refunds:			
Number	33,688,000	35,549,000	5.5
Amount	$83.862 billion	$93.611 billion	11.6
Average	$2,489	$2,633	5.8

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