

IRS News Release

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IRS E-File Opens for 2008 Filing Season for Most Taxpayers

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WASHINGTON — Most taxpayers may file their 2007 tax returns electronically beginning on Jan. 11 as the Internal Revenue Service opens the [e-file program](#).

Benefits of E-File

Taxpayers who use IRS e-file and who choose direct deposit can receive their refund in as little as ten days. With e-file there is no paper return going to the IRS and with direct deposit, there is no paper refund going to the taxpayer. It's all electronic. Tax return information is protected through encryption. Taxpayers receive an acknowledgement within 48 hours that the IRS has accepted the return.

"IRS e-file is the fastest, easiest and most accurate way to file a tax return," said IRS Acting Commissioner Linda E. Stiff. "We strongly encourage taxpayers to take advantage of the benefits that electronic filing offers."

IRS e-file allows taxpayers to file their return now and pay later if they owe taxes. It allows taxpayers to file both the federal and [most state returns](#) at the same time.

Taxpayers may use IRS e-file through their [tax preparer](#), or with a [computer](#) using tax preparation software. This software is available on the Internet for online use or for download. Many retail stores sell the software for offline use. The IRS does not charge taxpayers to e-file their completed returns, but some tax preparers and software manufactures may charge a fee.

To get all the benefits of e-file, taxpayers must make sure that when they are done with their return, they take the final step of e-filing it. Taxpayers who use a paid preparer should make sure their preparer is taking this final step, too. Why? In addition to error checks inherent in the return-preparation software, additional checks are done during the transmission process. That's why the error rate is so low for e-filed returns. In fact, the error rate is significantly reduced from 20 percent with paper returns to about 1 percent with e-filed returns.

Free File

[Free File](#), which is a form of e-file, is a free federal tax preparation and electronic filing program for eligible taxpayers developed through a partnership between the IRS and the Free File Alliance LLC. The Alliance is a group of private-sector tax- software

companies. Since Free File's debut in 2003, a total of more than 18 million returns have been prepared and e-filed through the program.

Free File allows taxpayers with an Adjusted Gross Income (AGI) of \$54,000 or less in 2007 to e-file their federal tax returns for free. That means 70 percent of all taxpayers – 97 million taxpayers – can take advantage of the Free File program.

E-File Usage Grows Every Year

IRS e-file totaled nearly 80 million tax returns in 2007. Almost 57 percent of all returns were filed electronically. Last year, there was a surge in e-file from home computers. There were also significant increases in e-filing by people with a balance due using credit cards and Electronic Funds Transfer (EFT) payment options.

The IRS began the e-file program in 1986 as a pilot project in three cities: Cincinnati, Phoenix and Raleigh-Durham, N.C. That year, there were 25,000 tax returns filed electronically. The e-file program expanded nationwide in 1990 and 4.2 million tax returns were filed. IRS e-file has undergone tremendous growth each year.

Taxpayers Affected by AMT Legislation

As many as 13.5 million taxpayers who use five forms related to the Alternative Minimum Tax legislation will have to wait to file tax returns until the IRS completes the reprogramming of its systems for the new law. IRS has targeted Feb. 11 as the potential starting date for taxpayers to begin submitting the five-related returns affected by the legislation.

Returns that include the following forms should not be filed until Feb. 11, 2008:

- [Form 8863](#), Education Credits.
- [Form 5695](#), Residential Energy Credits.
- [Schedule 2, Form 1040A](#), Child and Dependent Care Expenses for Form 1040A Filers.
- [Form 8396](#), Mortgage Interest Credit.
- [Form 8859](#), District of Columbia First-Time Homebuyer Credit.

The February date allows the IRS enough time to update and test its systems to accommodate the changes without major disruptions to other operations related to the tax season. See [IRS News Release 2007-209](#) and these [questions and answers](#) for more information.

If returns with these forms are e-filed before Feb. 11, they will not be accepted.

Related Items:

- [Filing your taxes was never easier!](#)
- [The Electronic IRS](#)

- [2008 IRS E-file Fact Sheet](#)
- [Free File](#)
- [1040 Central](#)