

IRS News Release

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Free File Now Available to Almost All Taxpayers; Software Can Help Find New Economic Recovery Tax Breaks that Could Be Overlooked

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WASHINGTON — The Internal Revenue Service and its private-sector partners are making Free File available starting today. Most taxpayers can have free use of helpful tax preparation software and free electronic filing of the federal tax returns.

There are many new tax breaks this filing season and Free File software can make it easier for people to find all the credits and deductions they are due. Taxpayers must go through www.irs.gov homepage or www.irs.gov/freefile to access the free options.

“If cost is a barrier or if you’re wondering about free options, check out IRS.gov for Free File options. There’s something there for almost everybody,” said David R. Williams, director, Electronic Tax Administration and Refundable Credits. “Free File is a great choice for either the novice taxpayers who need some assistance or the experienced taxpayers who prefer to do the work themselves. It’s fast; it’s safe; it’s free.”

The Free File program provides free federal income tax preparation and electronic filing for eligible taxpayers through a partnership between the Internal Revenue Service (IRS) and the Free File Alliance LLC, a group of approximately 20 private sector tax software companies.

Free File comes in two formats: Traditional Free File, which is available to taxpayers who meet specific criteria and Free File Fillable Forms, which is available to almost all taxpayers.

Approximately 70 percent of the nation’s taxpayers, some 98 million people who meet the \$57,000 income limit, are eligible for the user-friendly Traditional Free File. Traditional Free File provides step-by-step software help that asks simple questions and puts the answers on the correct tax forms.

Traditional Free File can help taxpayers identify new tax credits or deductions under the American Recovery and Reinvestment Act for which they may be eligible. There are many new and expanded benefits for energy conservation, new car purchases, college tuition and first-time homebuyers.

Taxpayers must go through IRS.gov to access Free File. Each company sets its own eligibility criteria. For example, generally, eligibility criteria are based on state residency, age, income or military service. However, an individual or family with income of \$57,000 will find tax preparation software they can use.

Taxpayers either can read over the company offers by clicking “I Will Choose a Company” or get a little help in making the selection by clicking “Help Me Find a Company.” With a little information, the tool will display those company offers for which taxpayers may be eligible.

Several companies offer their software in Spanish. Several also offer state tax preparation, although fees may apply. Taxpayers are under no obligation to make any purchases from the software companies.

For taxpayers who are comfortable preparing their own tax returns, there’s Free File Fillable Forms. Almost everyone is eligible for this service. There are no income limits and almost all tax forms are available.

This service provides electronic versions of IRS paper forms. Taxpayers can complete the tax forms online and file electronically. The fillable forms perform simple math functions, but do not use the question-and-answer software format. Free File Fillable Forms does not support state forms or state electronic filing.

Both Free File versions are highly popular among users. According to a recent survey, 98 percent of Traditional Free File users and 96 percent of Free File Fillable Forms users polled said they would recommend the Free File products to family and friends.

Taxpayers who use Traditional Free File or Free File Fillable Forms can enjoy all the benefits of IRS e-file – also for free.

By using the free e-file option, taxpayers also get the benefits of a fast refund, reduced error rate and a quick acknowledgement. By using e-file and direct deposit, taxpayers can get a refund in as few as 10 days. If people owe taxes, they also can control their payments and set a date such as April 15 for electronic payment. The error rate for an e-filed return is 1 percent, compared to 20 percent for a paper return. Unlike paper filers, e-filing taxpayers also will receive an acknowledgement that the IRS has received and accepted or rejected their returns.

Taxpayers who are eligible for the \$8,000 or the \$6,500 first-time homebuyer credit will not be able to e-file because they must attach proof of purchase to their tax return. However, these taxpayers still can use Free File to prepare their tax forms and then print and mail the returns to the IRS.

Free File is available 24-hours a day through April 15. For taxpayers who request an extension to file their federal returns, Free File will be available through October 15.

People who are interested in reviewing more information about Free File can visit www.freefile.irs.gov. Videos on these topics also are available at www.youtube.com/irsvideos.