



Principles for the development of a permanent, free tax e-filing tool

Funding from the Inflation Reduction Act has now provided an enormous opportunity for the Internal Revenue Service (IRS) to create and administer a permanent, free e-filing tool. If the tool is deliberately and thoughtfully designed based on the experiences and needs of low-income filers and individuals who face the most barriers to accessing the tax system, it can drastically improve uptake of crucial tax benefits for millions of families by improving their ability to file taxes. We know from families' experiences accessing the expanded CTC through the non-filer portal that tools designed for populations who face the most barriers will improve access for all. **All tax filers will benefit from a permanent, free e-filing tool designed with and for families who face the most barriers to filing.**

An accessible filing process through an effective online tool will help the IRS administer tax benefits, like the CTC and Earned Income Tax Credit. This tool, alongside supportive customer service, is especially important for communities who have been marginalized and [excluded](#) from support in the past, including Black, Latinx, and other families of color, immigrant families, families living in US territories like Puerto Rico, individuals who need an Individual Taxpayer Identification Number (ITIN), families with limited English proficiency, filers contending with safety risks due to domestic violence, single heads of household, unhoused families, and families with disabilities for whom the paperwork and [administrative burdens](#) associated with public benefits have too often created insurmountable barriers to access. Simple and straightforward tools [can put crucial benefits](#) within reach for families who need the support.

Creating a permanent, free, government-run e-filing tool will increase ease and accessibility for many; but how the tool is designed and what is ultimately built will determine whether it is accessible for low-income families & non-filers and advances racial and gender equity. **The principles described below are intended to guide the IRS' development of a permanent, free e-file tool to ensure crucial tax credits are available to families who need them most.** Developed by the Automatic Benefit for Children Coalition's Access and Implementation Working Group, these principles are a continuation of work by many organizations to assist families who have not made it through the tax system successfully and to illuminate the barriers they face throughout the filing process.

A permanent and free e-file tool should:

1. Be designed with and for low-income families and those who face the most barriers to filing

To ensure accessibility and that everyone can file taxes, the tool must be designed deliberately *with* low-income users and those who currently face the most barriers to filing and are not served by the current tax system, such as Black, Latinx, and other families of color, immigrant families, people living in US territories, individuals who need an ITIN, families with limited English proficiency, single heads of household, unhoused families, filers experiencing domestic violence, and families with disabilities. A tool designed fundamentally on their filing experiences and needs can effectively expand from working for simple tax situations to addressing more complex situations and barriers to filing. This design principle would ensure that the tool is mobile-first, multilingual, accessible to people with disabilities, and inclusive of forms used by filers in U.S territories. The IRS can work with VITAs and LITCs to include and center those who personally face barriers to access in the [design process](#).

2. Be owned by the government and accountable to the American people

To ensure that the tool is developed and updated to remove barriers, this tool must be a wholly government-owned product available on a trustworthy government website. This crucial government product should be owned and managed by government employees accountable to taxpayers, not by outside vendors or contractors.

3. Boldly and aggressively utilize existing IRS data to streamline the taxpayer experience

The tool should make extensive use of existing IRS data wherever possible to require as little information as possible from the filer and streamline the user experience — within constraints of data quality, timeline of data availability, and identity verification to preserve taxpayer privacy. This streamlining may include pre-populating taxpayers' income, filing status, and dependents (based on information returns like W-2s and on prior year returns); and providing automated prompts, if, for example, a taxpayer needs to file a specific form or schedule. Because IRS data is incomplete and taxpayer circumstances can change, pre-population designs must ensure that taxpayers actively review, update, and confirm their information.

4. Be integrated into a holistic, supportive, and unified tax filing ecosystem

The tool should be integrated into a seamless continuum of taxpayer assistance, including non-digital filing options, dedicated resources and assistive technologies to help filers with disabilities and with limited English proficiency, services to support other tax processes like ITIN applications, and post-filing and online account services for filers to check the status of their return. IRS customer service assistance should be available within the e-filing tool, from agents who can view users' progress in the tool and troubleshoot issues in the language of the user. The tool should provide seamless referrals to other tax filing assistance services — including LITC and VITA sites — for filers who cannot file a return through the tool by themselves. The IRS should also invest in a specialized customer service unit, trained in supporting low-income and new filers, and in quickly resolving conflicting claims and handling complex filing cases, such as filers who face domestic violence where the noncustodial parent has already claimed a qualifying child.

5. Be promoted clearly and directly to taxpayers

Improving outreach and external communications to families is critical for uptake. The tool should be promoted by the government through direct communication to families who have not yet filed (via mail, text, email, etc.). State agencies and community organizations should be empowered to promote this one central IRS tool rather than a wide range of options that could make filing more confusing.

In addition to the five key principles above, a permanent and free e-file tool should feature:

6. Flexible - and predominantly optional - ID verification

As is currently the case for filing returns, most taxpayers should be able to submit tax returns online without ID verification. For cases where ID verification is required, e.g. to facilitate data automation and pre-population, there should be multiple alternative pathways to submit verification that do not require a computer or smartphone, including in-person verification and verification through the IRS' use of data sharing agreements with other government programs. All reasonable forms and sources of verification should be accepted.

7. Public reporting of usage data for continuous improvement

The IRS should generate and publicly release as much data as possible about use of the tool — ensuring individual filer privacy is protected — to ensure accountability in closing the coverage gap and identify issues across the user experience. The IRS should also release analysis of the demographic characteristics of families who do and do not file taxes to ensure continuous assessment of the tool's reach and efficacy.

8. Functionality to dispute dependency claims

Modernized eFile currently does not accept electronic returns in various situations, including cases where a filer's dependent was improperly claimed by another filer or a filer had a return fraudulently filed on their behalf. The IRS should allow such conflicting claims to be e-filed and then adjudicated by dedicated staff, with the process explained clearly to filers.

All tax filers will benefit from a permanent, free e-filing tool designed with and for families who face the most barriers to filing. These principles are intended to guide the development of this tool. We look forward to working with the IRS to ensure crucial tax credits are available to low-income and non-filer families who need them most.

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