

THE COALITION FOR FREE AND FAIR FILING

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Internal Revenue Service Achieves Significant Modernization Milestones One Year Following Passage of the Inflation Reduction Act

Coalition for Free and Fair Filing applauds IRS efforts to improve customer service and develop an IRS-run tax filing option, but challenges remain

Washington, DC – August 16th marks one year since President Biden signed the Inflation Reduction Act, legislation that allocated \$80 billion in new funding for Internal Revenue Service (IRS) modernization and to improve customer service.

Today, [The Coalition for Free and Fair Filing](#), in celebration of this anniversary, held a press briefing and presented a [new analysis](#) highlighting significant modernization accomplishments that the agency has achieved over the previous year. The analysis looks at improvements in customer service, the agency's development of a free public online tax filing option, and the ways organizations have mobilized to support an IRS-run public option while shining a light on tax company malfeasance. Also today, Public Citizen, a member of the coalition's leadership, delivered [a petition](#) to the IRS that received more than 65,000 signatures in support of a free IRS Direct File option.

The campaign to collect petition signatures was led by Americans for Financial Reform, Americans for Tax Fairness Action Fund, Civic Shout, Coalition on Human Needs, Daily Kos, Demand Progress, Democracy for America Advocacy Fund, Inequality Media Civic Action, MoveOn, Patriotic Millionaires, Progress America, Progressive Reform Network, Public Citizen and Social Security Works

During the press briefing, congressional leaders and organizations discussed the potential impacts of an IRS Direct File tool, the importance of a fully funded IRS, and the ways that the IRS is working to make tax filing free and simple for everyday taxpayers. A full recording of the briefing can be requested by emailing press@economicsecurityproject.org.

"A year ago, we Democrats fought hard to pass the Inflation Reduction Act, and we fought hard to give the IRS the resources it needs to track down wealthy tax cheats in the top 1%, and at the same time, to

adequately serve the 99% of Americans who are just trying to honestly file their taxes and claim their refunds. So here we are a year later, and the IRS has made real progress,” said **Senator Elizabeth Warren (D-MA)**.

“Since coming to Congress, I have been a champion for strengthening customer service at the IRS because I know what a difference it can make for taxpayers. I've spoken on the House floor and in committee hearings about how Americans would benefit from modernizing the IRS. Last year, I was proud to help pass the Inflation Reduction Act, which invested tens of billions into making the IRS work better for families. A well-functioning, responsive IRS is a huge help for the vast majority of us Americans who pay income taxes and sit down each year to do our own taxes,” said **Representative Katie Porter (D-CA-47)**.

“Americans deserve the option to easily file their taxes for free, and not jump through hoops to do it. The IRS has already demonstrated the feasibility and importance of a direct tax filing tool and I strongly support the Agency's efforts to put it into action,” said **Representative Donald S. Beyer Jr. (D-VA-08)**.

“Today, Public Citizen delivered to the IRS more than 65,000 signatures from our activists and allies' supporters, demanding a public option tax filing software so that profit-hungry corporations no longer serve as required middlemen for one of the most basic interactions between the American people and our government — filing taxes. We thank our partner organizations for joining with us to provide this opportunity for everyday people in America to stand up to Big Tax Prep,” said **Susan Harley, managing director of Public Citizen's Congress Watch division**.

“A tax return means something to Black people, paying down debt, purchasing something that the family has needed for a year, and it offers breathing room. The racial wealth divide is as real as the need for a free, direct file option. Our leaders must re-double their efforts and influence toward boosting economies, turning on the tap, and stopping the siphoning off of resources from our community. Color Of Change supports the upcoming pilot for a direct file tool, rejects any attempts to defund the IRS, and supports the choice in how our community gets what is owed to them,” said **Brandon Tucker, Senior Director of Policy & Government Affairs at Color of Change**.

“The Inflation Reduction Act's landmark investment in the IRS is a crucial step on the path of the modernization of the U.S. tax system. It paved the way for the launch of the Direct File scaled pilot, which will help individuals and families file their taxes for free, directly with the government, for the first time,” said **Gabriel Zucker, Associate Policy Director for Tax Benefits at Code for America**. “Direct File will make government more accessible and equitable, saving tax filers time, money, and headaches. Code for America stands ready to support the IRS as it rolls out this important program.”

“Thanks to the Inflation Reduction Act, Americans across the country are experiencing better, faster, and more efficient service from the IRS and can expect even more improvements in the months ahead,” said **Igor Volsky, Executive Director of Groundwork Action**. “Unfortunately, conservative lawmakers in Washington D.C. are focused on reversing those gains in order to empower their wealthy campaign contributors to skirt their legal tax obligations and further undermine Americans' trust in government.”

“In the past year, the IRS has revamped customer service and brought the agency closer to the modern world because of this funding and now Republicans want to stonewall this modernization process. It is critical that we keep this momentum going if we hope to see free and simple tax filing become a reality,” said **Adam Ruben, Vice President of Campaigns and Political Strategy at Economic Security Project**.

In July, the Coalition for Free and Fair Filing sent a [letter](#) to IRS Commissioner Daniel Werfel thanking the agency for its efforts to build a free, simplified tax filing tool. The letter went on to encourage the agency to make explicit its intention in the design and development process to prioritize the needs of filers with low incomes and those experiencing the most barriers accessing the tax system. The letter embodies the core principles of the coalition and it was signed by 203 national, state and local organizations.

Background on Free and Fair Filing: Through the Inflation Reduction Act, Congress and the Biden administration allocated \$80 billion in IRS funding to improve the agency’s responsiveness and customer service and crack down on wealthy tax cheats who have long gamed the system. In addition, Congress specifically directed the IRS to study the feasibility of building a free and simplified tax filing system. This tool could save individual taxpayers over [\\$100 every year](#) by providing a platform for taxpayers to file their taxes online for free directly, as well as streamlining access for millions of families who miss out on social support administered through the tax code every year. As part of its feasibility research process, the agency developed a Direct File working prototype that was [well received by taxpayers](#) during user testing. As directed by the U.S. Department of the Treasury, the IRS intends to conduct a [scaled, Direct File pilot program](#) in the 2024 filing season to further assess the system’s customer support and technology needs.

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[The Coalition for Free and Fair Filing](#) supports the Internal Revenue Service’s efforts to create a free online direct tax filing tool. The group’s mission is to ensure all U.S. taxpayers can easily file tax returns and get the tax credits they deserve by safeguarding and expanding the IRS Direct File program. The coalition is composed of organizations committed to racial and economic justice, consumer protection, the advancement of civic technology and the promotion of equity in tax administration.