



GOVERNOR JOSH SHAPIRO

FOR IMMEDIATE RELEASE

Tuesday, July 30, 2024

MEDIA CONTACT:

Governor's Press Office: ra-gvgovpress@pa.gov

Governor Shapiro, U.S. Treasury Secretary Janet Yellen Announce Pennsylvania to Join IRS Direct File, Ensuring Pennsylvanians Can File Federal and State Taxes for Free Starting Next Year

Governor Shapiro continues his work to lower costs for Pennsylvanians and provide digital services that are responsive, user-friendly, and accessible to every Pennsylvanian.

Building on Pennsylvania's free state tax preparation tool myPATH, IRS Direct File will help Pennsylvanians save time and money by allowing people to prepare and file their federal taxes for free online.





Philadelphia, PA – Today, **Governor Josh Shapiro** joined **U.S. Department of the Treasury (Treasury) Secretary Janet Yellen**, leaders from the **Pennsylvania Department of Revenue (DOR)**, **Representative Brendan Boyle**, and **Representative Mary Gay Scanlon** to announce that Pennsylvania will join IRS Direct File for filing season 2025, ensuring people have access to a free, easy-to-use online tool when they file their federal taxes next year. Direct File will build on [myPATH](#), Pennsylvania's free tool to file state income taxes and apply for tax cuts like the Property Tax/Rent Rebate.

Governor Shapiro believes we need to meet people where they are and make it easier to access government services online. That's why the Shapiro Administration worked with the Treasury to bring this program to Pennsylvania. Direct File has already been proven successful at saving taxpayers' money – in a pilot program across 12 states earlier this year, 140,000 taxpayers claimed more than \$90 million in refunds and saved an estimated \$5.6 million in filing fees using the free online filing tool.

"Filing your taxes should be free and easy – that's why we're improving our digital services and adopting IRS Direct File here in Pennsylvania," said **Governor Josh Shapiro**. "Thanks to the Biden-Harris Administration's Direct File initiative, Pennsylvanians will be able to save money by filing both their state and federal taxes at no cost on an easy-to-use platform. There should be no wrong door to access government services, and the Shapiro Administration will continue to bring human-centered, user-friendly, reliable, and accessible digital services to every Pennsylvanian to help lower costs and break down barriers."

"Thanks to President Biden's Inflation Reduction Act, more than 1.5 million Pennsylvanians will be able to file their taxes online for free, directly with the IRS in Filing Season 2025. Direct File will save Pennsylvania taxpayers time and money and help ensure they receive the tax benefits for which they are eligible," said **U.S. Secretary of the Treasury Janet L. Yellen**. "Direct File is one of the many

ways the Biden-Harris Administration is working to lower costs in everyday life, and we are pleased to welcome Pennsylvania as the next state to offer this new free option to taxpayers.”

“We know from our experience that many Pennsylvanians spend a lot of time and money every year to ensure their personal income tax returns are filed timely and accurately. That’s why we’re eager to bring Direct File to Pennsylvania, because it will be a free and simple online filing tool that will relieve stress and a financial burden for many of our taxpayers,” said **Secretary of Revenue Pat Browne**. “We’re excited to partner with the U.S. Treasury and the IRS to bring Direct File to Pennsylvania starting next year. This work will be another step forward for our agency in meeting Governor Shapiro’s goal of transforming online services for the citizens we serve.”

Using the Direct File online filing tool, qualifying taxpayers will first be able to complete their 2024 federal tax returns. Following that step, Direct File will direct qualifying taxpayers to Pennsylvania’s state income tax filing system, myPATH, where they will be able to file and complete their 2024 Pennsylvania state returns. Some information, including W-2s and demographic information, will automatically be uploaded to their state return to help save time and ensure folks don’t have to input their information twice.

Treasury’s goal in the coming years is to expand the reach and tax scope of Direct File to provide an option for working-and middle-class taxpayers nationwide. Direct File is central to the Biden-Harris Administration’s efforts to deliver modern, world-class customer service using Inflation Reduction Act resources. Direct File also advances a goal of the IRS’s Strategic Operation Plan (SOP) to ensure that taxpayers receive tax credits that they are eligible for, including the Child Tax Credit and Earned Income Tax Credit. The IRS will continue to improve the product over time and ensure that it remains free, secure, and easy to use.

BACKGROUND ON THE DIRECT FILE PILOT PROGRAM

The average American spends \$270 and 13 hours filing their taxes (Taxpayer Burden Survey). President Biden’s Inflation Reduction Act required the IRS to study the potential for an IRS-run Direct e-File System that would allow taxpayers to file taxes for free, directly with the IRS. After reviewing the report, which showed strong taxpayer interest in a free IRS filing option, the Treasury Department initiated a pilot of IRS Direct File during the 2024 Filing Season.

In Filing Season 2024, Direct File was available to taxpayers with simple tax situations in 12 states. The pilot exceeded expectations with more than 140,000 Americans successfully filing in the five weeks the program was widely available following extensive product testing. These filers claimed more than \$90 million in refunds and saved an estimated \$5.6 million in tax preparation fees on their federal returns alone.

Direct File users also reported a high degree of satisfaction and quick answers to their filing questions. In a GSA Touchpoints survey of more than 11,000 Direct File users, 90 percent of respondents ranked their experience with Direct File as “Excellent” or “Above Average.” A majority of survey respondents who filed taxes in the prior year reported having to pay to prepare their taxes last year. Among survey respondents, 47 percent of users paid to file their taxes last year and 16 percent did not file last year at all.

In Treasury and IRS engagements with Direct File users, taxpayers relayed that Direct File was straightforward to use, and they valued features that allowed them to learn more about different tax situations, credits, and deductions. Taxpayers emphasized their appreciation for the fact that Direct File is always free and there are no hidden fees or attempts to upsell users as they moved through

the filing process. Taxpayers also shared that filing directly with the IRS gave them confidence and that they were able to quickly fix mistakes and get their taxes filed accurately.

#