



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

May 28, 2024

The Honorable Daniel I. Werfel  
Commissioner  
Internal Revenue Service  
1111 Constitution Avenue NW  
Washington, DC 20224

Dear Commissioner Werfel:

Thank you for delivering a highly successful Direct File pilot, and for your recommendation that the IRS make Direct File a permanent option for taxpayers to prepare and file their federal tax returns.

Given the success of the pilot and strong demand for a Direct File option from taxpayers across all 50 states, I agree with your recommendation to make Direct File a permanent service from the IRS, expand Direct File over the next few years so that it supports most common tax situations, and invite all states to participate in Direct File as soon as next year.

The Inflation Reduction Act (IRA) was passed in order to give the President the tools needed to lower costs for the American people. As you know, tax filing on average costs American households \$270 a year. Direct File will eliminate this cost for working- and middle-class taxpayers that choose to use this tool.

The truth is that in many countries around the world, including the United Kingdom and Australia, products like Direct File have existed for a long time. The IRS was limited in its ability to offer innovative products and improve customer service because of a lack of funding.

The Inflation Reduction Act has now put the IRS in a position to make historic investments in making it easier and cheaper for Americans to file their taxes. This includes steps like dramatically improving the percentage of phone calls answered from 13 percent before the IRA to 88 percent this year.

We also now have the funding to bring the IRS's digital infrastructure into the 21st century. This includes expanding online services so that Americans can choose to complete all their interactions with the IRS online. Direct File is now going to be part of this dramatic modernization effort by equipping Americans with the option to save time and money by e-filing their taxes directly with the IRS for free.

Treasury is looking forward to seeing the IRS build on the success of the 2024 pilot by significantly expanding the number of Americans who can benefit from Direct File in Filing Season 2025 and beyond. We are eager to work with you to grow Direct File into a service that taxpayers across the country can benefit from.

Sincerely,

A handwritten signature in black ink that reads "Janet L. Yellen". The signature is written in a cursive style with a large initial "J" and a long, sweeping tail.

Janet L. Yellen