

IRS Oversight Board

For immediate release
January 12, 2009
Media contact: Joelle Jordan
202-288-3241

Oversight Board Releases e-File Report IRS Continues to Strive for 80 Percent Goal

The IRS Oversight Board released its 2008 Annual Report to Congress on Electronic Filing, which examined the progress the IRS is making toward a Board-approved 80 percent e-file goal.

The Board approved the goal in 2007 as part of a series of long term measures for the IRS' Strategic Plan and it calls for a combined electronic filing rate of 80 percent by the year 2012 for all major tax returns filed by individuals, businesses and tax exempt organizations.

The Board found that progress in e-file continues to be made, with the IRS and its tax partners continuing to create many useful electronic tax products and services, and steadily increasing the share of tax returns filed electronically.

In particular, the Board found that in 2008, individual returns filed electronically grew more than 12 percent and will reach nearly 90 million. Business and tax exempt e-filed returns also increased—about 5.5 percent with an estimated yearly total to exceed nine million. The Board estimates that more than 58 percent of individual tax returns will be electronically filed by the end of 2008 and the combined total for all major individual, business and tax exempt returns will come in around 49.5 percent.

In addition, the Board found that the Economic Stimulus Act of 2008 resulted in the one-time filing of over 14 million additional individual tax returns, mostly on paper, which lowered the e-file rate in 2008. However, this effect is temporary. The Board estimated that minus these returns, the e-file rate in 2008 for individual returns would likely be a few percentage points over 60 percent, and well over 50 percent for the combined total of all returns.

Nevertheless, the Board found that many challenges must be overcome to achieve the 80 percent e-file rate by 2012 and that IRS will fall short of that goal if existing trends in electronic filing simply continue. Still, it is the Board's view that the IRS can meet those challenges with the support of its partners in the professional tax community and policymakers in the Administration and Congress.

The Board further noted that the Electronic Tax Administration Advisory Committee (ETAAC) put forth a number of commendable recommendations to advance e-file in their Annual Report to Congress for 2008, and the Board uses part of their report to offer additional perspective and strategic comment on key ETAAC recommendations.

The Board's latest e-file report can be found at www.irsoversightboard.treas.gov.

###