



August 2023

Dear VITA and TCE partners:

As you probably know, the [IRS announced a few months ago that it will launch a Direct File pilot in 2024](#), allowing taxpayers to e-file directly with the IRS at no cost. As leaders in the VITA and TCE field — including practitioners, advocates, and organizers — we believe this pilot is in complete alignment with VITA and TCE missions to continuously strive to help clients get a high-quality tax return filed for free in a way that fits the rhythm of their life. We strongly support this project, and we encourage you to do so as well.

For the last half century, VITA and TCE have been at the forefront of the fight to expand access to free tax filing. Volunteers at sites have helped Americans file 55 million returns for free in every corner of the country. No one understands better than VITA and TCE sites and volunteers how daunting tax filing can be for low-income families and how important it is for them to have access to free and trustworthy tax filing services.

Direct File is a victory for VITA and TCE's missions, and a milestone in our fight to make tax filing free and easy for everyone. Direct File represents a significant escalation in the IRS's commitment to streamlining the tax filing process. It represents the IRS espousing what we know about the importance of this work, and it builds on what this program has done.

The Direct File option will not, of course, eradicate the need for VITA and TCE — far from it. Direct File will be a quick and easy solution for taxpayers who are able to use it. But a self-help online tool is not for everyone. VITA and TCE will continue to be a critical, free resource for taxpayers who need assistance to file their returns. Many taxpayers will continue to have a need for empathetic, hands-on tax preparation assistance — taxpayers with complex family situations who need help navigating the vagaries of the tax law; taxpayers who are uncomfortable using online tools; taxpayers who don't speak English or other languages supported by Direct File; or taxpayers who are deeply unfamiliar with the tax system and need just a little extra support. By providing a free and easy solution for taxpayers who can file themselves, Direct File will free up VITA and TCE capacity to focus on the taxpayers who need extra assistance. In this way, Direct File is a complement to — not a substitute for — VITA and TCE.

Direct File will be an important referral source for VITA sites. As taxpayers use Direct File, they may find that they need additional assistance that the tool cannot provide. Direct File can refer these taxpayers to VITA and TCE for that critical assistance.

The centrality of VITA and TCE's role in a work with a Direct File option is why we — as funders, advocates, and practitioners — are not wavering in our focus on VITA and TCE in the coming years. We are going to keep pushing for more resources for VITA and TCE and keep working to make VITA and TCE strong for the millions of families and individuals who need this level of assistance to prepare their taxes.

We know many of you may be anxious to learn more about the details of the 2024 Direct File pilot and how it will directly impact your work. The [2024 announcement](#) happened just a few months ago so we will continue to learn much more over the coming months. What we do know is that the 2024 Direct File pilot will:

- Allow some set of taxpayers with simple tax situations to file their returns online directly with the IRS through a user-friendly question-and-answer tool — the outlines of which were already tested with users in the course of the IRS report process and received positive feedback.
- Be free and available on a .gov website.
- It appears that there will be functionality allowing taxpayers to file their federal *and* state returns (although the details of the state aspect are still emerging).

If successful, it will expand over time to accommodate more tax situations and perhaps accommodate additional automation to streamline the filing process.

As we look to 2024, we invite you to learn more about the Direct File option through the [Coalition on Free and Fair Filing](#).

Together, we can continue to create a fairer and more equitable tax system for all.

Sincerely,

Prosperity Now & Code for America