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For the sixth straight year, eligible taxpayers can use Free File to prepare and file their federal income tax returns electronically without charges. There are no hidden fees. This program was developed by the Internal Revenue Service (IRS) in partnership with the Free File Alliance LLC, a group of industry leading private-sector tax preparation companies.

Free File is available to everyone who earns \$54,000 a year or less. That's 70 percent of all filers, roughly 97 million taxpayers. Free File is available 24 hours a day, seven days a week, beginning mid-January 2008. The program is available in both English and Spanish.

More than 19 million tax returns have been prepared and submitted through Free File since it debuted during the 2003 filing season.

To use Free File, individuals must first go to the IRS website, www.irs.gov, click on "Free File", then press the "Start Now" button and choose a tax preparation company from the list provided. (Free File is not available by going directly to a company's website.) Not all companies offer services to everyone. Filers should be sure to read the offer description to find which company best fits their needs. Once a company is selected, users click on the link to that company's website and begin preparing their return. Free File also has a "Guide Me to a Company" feature that will assist taxpayers in selecting a company that offers services tailored to their particular situation.

Although Free File is available only for federal income tax returns, some participating Free File Alliance companies also offer state tax return preparation and e-filing at no charge. Those services are noted in the Free File section of those companies' websites.

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Free File is easy to use, safe and secure and delivers a fast refund, in as little as 10 days with Direct Deposit. This section describes Free File and where to find more information about the program.

Frequently Asked Questions

The FAQs section provides more in-depth answers to recurring questions that have been asked about Free File.

Free File Fast Facts

Quick facts about Free File are available. They include a quick description of the program, benefits, eligibility criteria, statistics on Free File usage and where to find more information.

News Releases and PSAs

All news releases relevant to Free File will appear in this section. In addition, you will find radio public service announcements available for use and distribution.

Articles

The following articles are provided free of charge by the Free File program office of the Internal Revenue Service. The copy may be used in print and online media to help explain the Free File program.



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Description

The Free File program is a free electronic federal tax preparation and filing program for eligible taxpayers developed through a partnership between the Internal Revenue Service (IRS) and the Free File Alliance LLC, a group of private sector tax preparation companies.

Purpose

Free File allows taxpayers earning \$54,000 or less to prepare and file their federal tax returns for free—that means no cost and no hidden fees. Qualified taxpayers must enter the Free File program through the IRS website at www.irs.gov. While Free File partners are allowed to charge a fee for state returns, some also offer free state filing. Check with your Free File partner to see if you can file your state taxes for free, as well. Use the “Guide Me to A Company” tool on www.irs.gov to determine which partners offer state tax preparation and e-filing services for your state. Fees for filing state income tax returns may apply.

Eligibility

Those who earned \$54,000 or less in 2007 may use Free File this year. That means 70 percent of all filers—97 million taxpayers—can take advantage of the program. Taxpayers who used Free File in the past and qualify again this year must use the IRS website, www.irs.gov, if they want to use Free File again this year. Offers from any other source or location are not Free File.

Program Benefits

Free File is easy to complete, as well as safe and secure. Also, you will receive a fast refund, in as little as 10 days when you use Direct Deposit. The software programs are constantly updated to give you the most up to date information to complete your return accurately. If you qualify for the Earned Income Tax Credit (EITC), you can use Free File to claim your credit and to prepare and file your return.

Fast Facts

- To date, more than **19 million** taxpayers have prepared and submitted their tax returns through Free File.
- 96% of those who used the program found it “easy to use.”
- 98% said they would recommend Free File to others.
- 95% who used Free File said they would use it again.

Availability

Free File is available 24 hours a day, seven days a week, beginning mid-January 2008. The program is available in English and Spanish.

More Information

Visit the IRS website, www.irs.gov. Check the Free File Alliance company’s website for customer service options such as a help desk phone number, online assistance, or an e-mail address.



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What is Free File?

Free File is a free federal income tax preparation and electronic filing program for eligible taxpayers, developed through a partnership between the Internal Revenue Service (IRS) and the Free File Alliance LLC. The Alliance consists of private sector tax preparation companies.

For 2008, taxpayers who earn \$54,000 or less may take advantage of the Free File program. This means 70 percent of all taxpayers—97 million people—are eligible to Free File. Taxpayers can access the program starting mid-January 2008. Free File is available in Spanish.

Who is Eligible to Use Free File?

Free File is available to taxpayers whose adjusted gross income was \$54,000 or less in 2007.

Is the Free File Program Really Free?

Yes, the Free File program is 100% free for qualifying taxpayers to electronically prepare and file their federal income taxes. There are no hidden fees or software costs. Taxpayers must enter through the IRS website, www.irs.gov to use Free File. Taxpayers who used Free File in the past and qualify again must use www.irs.gov if they want to Free File again this year.

What are the Benefits of Using Free File?

Free File is completely paperless, as well as easy to use, safe and secure.

Those who meet the income requirement may prepare and file their federal income taxes completely FREE of charge. The program is available online 24 hours a day, seven days a week. Upon electronic submission of your federal tax return, you will generally receive a refund in half the time—in as little as 10 days with Direct Deposit. Free File is available in Spanish.

Is Free File Secure?

Yes, tax return information is protected through encryption. Companies offering the Free File Program must attain a third-party privacy and security

certification, as well as comply with all federal rules and regulations on taxpayer privacy. For example, these rules prohibit the use of tax return data for purposes not specifically authorized by the taxpayer. The IRS monitors each company to make sure that it meets the privacy and security regulations.

Free File uses proprietary software approved by the IRS and your federal tax return is transmitted through the established **IRS e-file** system using secure technologies. After you send your return, you will receive an email from the tax preparation company to let you know that the IRS received your return.

What is the difference between Free File and e-file?

IRS e-file lets taxpayers electronically file an accurate tax return or get an extension of time to file without sending any paper to the Internal Revenue Service. Taxpayers may use **IRS e-file** through their tax preparer, over-the-counter software or Internet programs. The IRS does not charge for **IRS e-file**, but some tax preparers and software manufacturers may charge a fee.

More than 80 million Americans chose **IRS e-file** last year—the total number of individual tax returns this year is expected to be about 136 million, and the IRS expects a record number of e-filers this year. E-filers enjoy these benefits:

1. Faster refunds, in as little as 10 days with Direct Deposit,
2. More accurate returns,
3. File a return now and pay later,
4. Quick acknowledgment of e-filed returns,
5. Convenient federal/state filing.

Free File is one of many **IRS e-file** programs, with it taxpayers who earn \$54,000 or less can prepare and file their federal taxes for FREE. Taxpayers who use Free File still receive the same benefits of **IRS e-file**, but the services are free. Free File is only available at www.irs.gov.

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Is Free File Easy to Use?

Free File is easy do yourself! It includes a "Free File Wizard" that will guide you through the program. Since Free File's debut in 2003, more than 19 million returns have been filed through the program. Of those who have used Free File, 96% rated the program as "easy to use" and 98% said they would recommend it to a friend or family member.

Can I Download the Tax Software to Prepare my Return?

Free File does not use downloadable software. It is an Internet based tax preparation program. All of the software is maintained on the individual company websites.

If I Use a Tax Preparer, Can I Still Use Free File?

Yes. If taxpayers meet the eligibility requirements for Free File, they may ask their tax preparer to use Free File to complete their return. Even if your preparer doesn't use Free File, make sure to request another *e-file* option.

Which Tax Preparation and Filing Companies Offer Free File?

Free File is offered by nationally-known tax preparation companies. For a full list, visit www.irs.gov. The Free File "offer" page assists taxpayers in locating software companies that best suit their needs. If you have trouble choosing a company after scanning the list, you may use the Free File Wizard interactive help tool, "Guide Me To A Company," to help narrow your search.

How Do I Use Free File?

To use Free File, you must first go to the IRS website, www.irs.gov, and then click on the Free File logo to access the Free File page. Once you have reached the Free File page, you will find helpful information to assist you with preparing and filing your federal income tax return. Click the "Start Now" button to review the list of software companies and select one that best suits your needs. Once you select a company, you will be taken directly to that company's website to begin your federal tax return. Remember you must access the company through www.irs.gov to use Free File. Any other starting point means you may be charged; you won't be using Free File.

May I Also File My State Income Tax Return for Free?

Some participating Free File Alliance companies offer free state tax return preparation and e-filing services. You must check the company's Free File section of their website for more information because not all companies offer free state tax return services. You can use the "Guide Me to A Company" tool on www.irs.gov to determine which companies offer state tax preparation and e-filing services for your state. Fees for filing state income tax returns may apply.

If I Qualify for the Earned Income Tax Credit, Can I Still Use Free File?

Yes. Depending on income level, people who earned income from employment or self-employment in 2007 may be eligible for the Earned Income Tax Credit (EITC). EITC is a credit for people who earn low-to-moderate incomes that fall within the income requirements to use Free File. EITC can reduce your taxes, and can result in a refund. In simple terms, working families and individuals may keep more of what they work for. Find out if you are eligible for the Earned Income Tax Credit (EITC) by answering some questions and providing basic income information using the EITC Assistant at www.irs.gov. Then click on "Free File" at www.irs.gov and link to one of the partnering tax preparation and filing organizations that offer the free service.

What Happens if I Find My Income is More than \$54,000 for 2007?

If, when using Free File, you find that your adjusted gross income exceeded \$54,000, in 2007, you will not be eligible to file your taxes for free. In that case, you may continue completing your return, but you will incur the tax preparation company's standard filing fees.

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If I Have a Balance Due on My Return, Is There a Fee to Pay My Taxes?

Electronic payment options are convenient, safe and secure methods for paying taxes. Taxpayers can authorize an electronic funds withdrawal, use a credit card or enroll in the U.S. Treasury's Electronic Federal Tax Payment System. Electronic payment options give taxpayers an alternative to paying taxes by check or money order. You can file early and pay the balance due by the April 15 filing deadline.

Are There any Additional Costs?

Before starting your return using Free File, carefully review the tax preparation company's criteria to confirm that you meet their eligibility for preparing and e-filing your federal tax return for free. While you may choose to do so, you are under no obligation to buy any of the company's other products or services. All Alliance partners have agreed to remove ancillary offerings, such as Refund Anticipation Loans (RALs), from the Free File program.



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- Free File was launched in the 2003 tax season by the Internal Revenue Service (IRS) in partnership with the Free File Alliance LLC, a group of industry leading private-sector tax preparation companies.
- More than 19 million tax returns have been prepared and submitted through Free File since its debut.
- According to a survey of 2007 Free File users:
 - 96% of those who used the program found it “easy to use”
 - 98% said they would recommend Free File to a friend or family member
 - 95% who used Free File said they would use it again
- This year 97 million individual taxpayers—70% of all filers—will be eligible for Free File.
- Taxpayers must have an adjusted gross income of \$54,000 or less to be eligible for Free File.
- Although Free File is available only for federal income tax returns, some participating Free File Alliance companies also offer state tax return preparation and e-filing service through Free File at no charge.
- Even if taxpayers owe money, they can Free File early and delay payment to the required due date.
- Free File is available in Spanish.
- The IRS website, **www.irs.gov**, lists service centers with Spanish-speaking help.
- Taxpayers qualifying for the Earned Income Tax Credit can still use Free File to prepare and file their federal taxes and claim that credit.
- Free File is completely paperless.
- Tax preparers can use Free File on behalf of their clients.
- Free File delivers a faster refund—in as little as 10 days with Direct Deposit.
- With Free File, taxpayers will receive an email acknowledgment within 48 hours from the tax preparation company notifying them that IRS received the return.
- Taxpayers can only access Free File through the IRS website, **www.irs.gov**. Taxpayers who used Free File in the past and are eligible to use it again this year, **must** also access Free File through the IRS website.



All news releases relevant to Free File will appear in this section. In addition, the IRS has provided radio public service announcements for use and distribution. To download these PSA's, **Click here.**

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→ Employees Can File Their Taxes for Free

20-somethings Article

If you're new to the workforce or have never prepared your income taxes, the thought can be quite daunting. Fortunately, a free online program is available that guides you through the process. Better yet, the service—called Free File—lets you prepare and file your federal income tax return at no charge if you earned \$54,000 or less last year.

Free File is offered by the Internal Revenue Service (IRS) in partnership with the Free File Alliance LLC, a group of leading private-sector tax preparation companies. The program launched five years ago and 19 million Americans have used it to date. A recent survey showed that 96 percent of those who used Free File found it "easy to use" and 98 percent said they would recommend it to others.

Free File is easy to use, and is safe and secure.

To start, go to the IRS website—www.irs.gov—click on "Free File," then press the "Start Now" button and choose a tax preparation company from the list provided. (Free File is not available by going directly to a company's website.) To help you choose a company, there is an online tool to narrow your search. Then, simply click on the link to the selected company's website and begin preparing your return. If you want to use Free File in Spanish, that option is available.

The online software that you will use has an instructive "Wizard" feature that guides you through the tax preparation process. This interactive tool helps answer your questions and informs you of the newest tax deductions.

After you send your return, you will receive an email acknowledgment within 48 hours from the tax preparation company to let you know that the IRS received your return.

Another benefit of using Free File is that there is less chance for making errors, since the software questions you about inconsistent responses and checks your math. Also with Free File refunds come faster, in half the time. For example, when you use Free File and choose to receive your refund with Direct Deposit, you will receive your refund in as little as 10 days.

"Those individuals who grew up using technology should be especially comfortable with Free File," said IRS Interim Commissioner Linda Stiff. "The software's built-in intuitive features make filling out a tax form much easier and quicker than the traditional hard copy way."

Free File can be accessed 24 hours a day, 7 days a week beginning mid-January 2008.

Simply visit www.irs.gov to get started, and save time and money.



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Want a Free Way to Electronically Prepare and File Your Taxes This Year?

If you earned \$54,000 a year or less last year, you're about to save time and money! That's because Free File lets you electronically prepare and file your federal income tax return for free.

Free File is offered by the Internal Revenue Service (IRS) in partnership with the Free File Alliance LLC, a group of leading private-sector tax preparation companies. The program launched five years ago and 19 million Americans have used it to date. A recent survey showed that 96 percent of those who used Free File found it "easy to use" and 98 percent said they would recommend it to others.

Free File is easy to use, and is safe and secure.

1. Go to the IRS website—www.irs.gov—click on "Free File" and press the "Start Now" button.
2. Then, choose a tax preparation company from the list. (You must select a company from the list rather than going directly to a company's website. Otherwise, you may be charged a fee). Some of the companies offer the software in Spanish.
3. If you want help choosing a company, use the interactive tool to help narrow your search. If you have questions, use the "Wizard" feature to guide you through the tax preparation process. It also checks your math and informs you of the newest tax deductions.

So skip those long paper forms and use Free File to prepare and file federal taxes. There's less chance for making errors and you'll get your refund in half the time. For example, when you use Free File and choose to receive your refund with Direct Deposit, you will receive your refund in as little as 10 days. After you send your return, you will receive a quick email acknowledgment within 48 hours from the tax preparation company to let you know that the IRS received your return. Available 24 hours a day, 7 days a week, beginning mid-January 2008.



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Extension Filers Can Still e-file Tax Returns

The Internal Revenue Service (IRS) would like employers to remind their employees who were not able to meet the April 15, 2008, tax filing deadline that they can still prepare and submit their returns electronically. Also, those who earned \$54,000 or less last year can still use Free File to e-file their returns for free through the October 15, 2008, extended filing season.

Benefits of e-filing

“e-filing has many benefits,” according to David R. Williams, Director, Electronic Tax Administration, IRS. “It is safe, easy and quick to use. And it’s more accurate than filling out a paper return, since many people make errors when they don’t have the benefit of a software program to check their math calculations or prompt them as to the appropriate deductions or credits.”

“Other benefits of e-filing are that taxpayers can get their refunds much faster than by paper filing,” continued Williams. “And when e-filing is combined with Direct Deposit, refunds can arrive in as little as 10 days. E-filing is also the safest way to send a return and you’ll get an emailed confirmation to say that the IRS received it.”

Many Can e-file For Free

One *e-file* option is Free File. This free online tax preparation and e-filing program was created through a partnership agreement between the IRS and the Free File Alliance LLC, a coalition of tax preparation companies. More than 97 million Americans qualify to use Free File, which is available to those who earned \$54,000 or less in 2007. The program can be accessed 24 hours a day, 7 days a week from any computer that has Internet access, by visiting www.irs.gov and clicking on “Free File.”

e-filing Is Safe

Since the IRS began accepting e-filing in 1986, more than *half a billion* returns have been electronically received. And in those 21 years, *not one* transmission has been broken into or compromised! No data has been lost. Nor have any disclosures occurred during those transactions. In 2007, 80 million returns were e-filed. Employees who e-file their tax returns can be confident in the safety measures that have been built into the program at every level—from the software companies transmitting the data to the **IRS e-file** system itself. But employees can maximize the security of their returns by ensuring the safety of their own computers.

First, employees should make sure that they use a secured computer with updated anti-virus and anti-spyware software. Second, they should not use peer-to-peer (P2P) software on any computer where personal, identifiable information is stored. But if they must, they should make sure that the personal data is in an encrypted directory or one that the peer-to-peer community cannot access. Third, when transmitting data, employees should look for a “closed lock” icon on their screen as well as “s” added to the end of “http” in the address line. Lastly, employees should use tax preparation and filing software programs and vendors approved by the IRS. A list is maintained at www.irs.gov for their reference, including an approved list of Free File companies.

Using Tax Preparers

Employees who use tax professionals to prepare their returns also should consider asking them to *e-file*. “Although some tax preparers may charge a fee, you won’t have to worry about the mail getting through and *e-file* is so accurate that you are 99 percent less likely to receive subsequent correspondence from the IRS,” said Williams.

So whether employees have requested a six-month’s filing extension or are just heeding good advice for next year, e-filing is the smart way to go at tax time.