

## E-Filing Can Be Free Filing

"We'll try to cooperate fully with the IRS, because, as citizens, we feel a strong patriotic duty not to go to jail."

-- Dave Barry (American humorist)

"Did you ever notice that when you put the words "The" and "IRS" together, it spells 'THEIRS'?"

-- Anonymous

Each year, more Tennessee taxpayers use electronic filing ("e-file") to submit federal income tax returns. Taxpayers who use e-file get a swifter return when one is due.

On January 16, 2007 the IRS activated its "Free File" program. This column answers several questions about Free File.

### Q. What exactly is "Free File"?

Free File is a free federal income tax preparation and electronic filing program for eligible taxpayers. It is offered by the IRS in partnership with several private sector tax software companies.

Free File can be used to file returns due Monday, April 16, 2007, as well as Form 4868 requests for 6-month extensions.

### Q. Is Free File easy to use?

Yes. This free, confidential service is provided on-line through the Internet. Taxpayers enter numbers, and then calculations are performed on-line. Completed returns are then sent to the IRS using secure technologies. 94% of Free File users rated it "easy to use."

First go to IRS.gov. Click on the "2007 Free File" link at the top of the page. You will next choose a tax preparation company. (Tip: Do not try to enter Free File by first going to a tax preparation company's Web site, or you may be charged a fee.) All of the tax prep companies participating in Free File have customer service options on display.

If you do not have access to a computer, you can use a computer at a local library, college, or senior citizen center. You can also ask about free tax preparation help by dialing "211." 211 is Tennessee's free 24-

hour help line that connects callers with community service agencies or volunteer opportunities. 211 specialists have information about Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE).

### Q. Who is eligible to use Free File?

Free File is only available to taxpayers who have a 2006 Adjusted Gross Income of \$52,000 or less. Adjusted gross income is total income minus certain adjustments to income. If your adjusted gross income is more than \$52,000, you have the option of stopping before you complete and file your return.

If you are not eligible for Free File, you can:

- Return to the IRS Free File home page and choose another company that offers tax preparation services, or
- Choose a company to complete your return, but be aware of the fee displayed on the company's Web site; or
- Go to IRS.gov and click the "e-file" link on the left side of the page. Then, click the link for "e-file for Individual Taxpayers." Next, click on "IRS E-file Partners for Individual Taxpayers" to view additional low-cost e-file opportunities.

### Q. Why does the IRS use private companies for Free File?

The IRS says that private tax preparation companies have "a proven track record in providing the best technology and services available."

Also, the U.S Treasury has instructed the IRS to stay out of the tax software business. Good idea – as we say in Tennessee, the IRS already has "a pretty full plate."

by Jim Hawkins, Managing Attorney, Gallatin office, Legal Aid Society

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