

Congress of the United States

Washington, DC 20515

April 14, 2025

Sasan K. Goodarzi
CEO
Intuit
2700 Coast Ave
Mountain View, CA 94043

Dear Mr. Goodarzi:

We write regarding a new analysis conducted by Senator Warren’s staff revealing that TurboTax is misleading, overcharging, and pressuring taxpayers using upselling tactics that can cost a typical taxpayer \$128 or more compared to the Internal Revenue Service (IRS)’s easy, free, and widely available “Direct File” program. These tactics come as Intuit, which owns TurboTax, attempts to sabotage Direct File so that it can continue to rake in billions of dollars per year from taxpayers.¹ Your tactics are misleading and misserving taxpayers who would benefit from this free and easy-to-use alternative to your company’s commercial tax preparation tools.

Intuit Is Waging an Aggressive Campaign Against Free Filing Tools for Taxpayers

Last year, the IRS launched Direct File, an online program that allows taxpayers with relatively simple filing situations to file their taxes online, for free, and directly with the IRS.² Since its launch, Direct File has helped hundreds of thousands of taxpayers file their taxes, expanded to serve taxpayers in 25 states, and now supports additional income sources, credits, and deductions beyond last year’s pilot, even automatically pre-populating taxpayer data to save people time and effort and improve the accuracy of their returns.³ Direct File received rave reviews from taxpayers during its pilot: 90% of users surveyed about their experience rated it as “Excellent” or “Above Average.”⁴

¹ Public Citizen, “House Republicans do the Bidding of Big Tax Prep,” Mike Tanglis, January 30, 2025, <https://www.citizen.org/article/house-republicans-do-the-bidding-of-big-tax-prep/>.

² U.S. Department of the Treasury, “U.S. Department of the Treasury, IRS Launch Direct File Pilot Program,” press release, March 12, 2024, <https://home.treasury.gov/news/press-releases/jy2172>.

³ Code for America, “Expanding the Reach of Free, Easy Tax E-Filing,” Courtney O’Reilly and Annelise Grimm, January 27 2025, <https://codeforamerica.org/news/expanding-the-reach-of-free-easy-tax-e-filing/>. Internal Revenue Service, “Direct File pilot officially closes after more than 140,000 taxpayers successfully use direct e-filing system in 12 states, including integration with 4 state tax systems,” press release, April 26, 2024, <https://www.irs.gov/newsroom/direct-file-pilot-officially-closes-after-more-than-140000-taxpayers-successfully-use-direct-e-filing-system-in-12-states-including-integration-with-4-state-tax-systems#:~:text=Over%20the%20course%20of%20the,140%2C803%20taxpayers%20submitted%20accepted%20returns.>

⁴ Internal Revenue Service, “IRS Direct File Pilot Program: Filing Season 2024 After Action Report,” May 3, 2024, <https://www.irs.gov/pub/irs-pdf/p5969.pdf>, p. 3.

But Intuit continues to try to kill this successful program. Indeed, for over twenty years, Intuit has been engaged in a “sophisticated, sometimes covert war” against free tax filing programs like Direct File.⁵ In 2023, Intuit spent \$3.8 million—the largest amount of money spent on federal lobbying in the company’s history—to influence federal policy ahead of Direct File’s launch.⁶ Last year, Intuit teamed up with other commercial tax preparation companies to make large financial donations to Republican congressmembers who subsequently sought to eliminate Direct File on “day one” of the Trump Administration.⁷ In 2024, Intuit again spent nearly \$3.8 million trying to derail the program.⁸ Although Treasury Secretary Bessent promised to keep Direct File operational through the 2025 filing season, the long-term future of the program continues to be threatened: the Trump Administration has paused technology modernization efforts⁹ and laid off large numbers of staff at the IRS, including some members of the Direct File team.¹⁰ Public reporting indicates that some members of the Department of Government Efficiency (DOGE) hope to end Direct File entirely,¹¹ and Republican lawmakers, bankrolled by Intuit, have continued to call on the Trump Administration to end the program.¹²

TurboTax is Upselling, Misleading, and Overcharging Taxpayers

Intuit’s attempts to lobby President Trump and Congress are particularly outrageous given the company’s abusive customer tactics. The company has misled customers about costs, upsold them relentlessly, and misused their data—and a new analysis by Senator Warren’s staff reveal that these efforts are continuing.

Last month, Senator Warren’s staff conducted a sample session using TurboTax for a simple tax filing situation, finding that the sample taxpayer would—despite promises by TurboTax that its services are free—pay \$128 to file their taxes, while being upsold multiple times in the process. In comparison, the cost for that same taxpayer would be \$0 on Direct File¹³—with no upselling.

⁵ ProPublica, “Inside TurboTax’s 20-Year Fight to Stop Americans From Filing Their Taxes for Free,” Justin Elliott and Paul Kiel, October 17, 2019, <https://www.propublica.org/article/inside-turbotax-20-year-fight-to-stop-americans-from-filing-their-taxes-for-free>.

⁶ OpenSecrets, “TurboTax maker Intuit spent millions in record lobbying blitz amid threats to tax prep industry,” Anna Massoglia, February 6, 2024, <https://www.opensecrets.org/news/2024/02/turbotax-maker-intuit-spent-millions-in-record-lobbying-blitz-amid-threats-to-tax-prep-industry/>.

⁷ Public Citizen, “House Republicans do the Bidding of Big Tax Prep,” Mike Tanglis, January 30, 2025, <https://www.citizen.org/article/house-republicans-do-the-bidding-of-big-tax-prep/>.

⁸ NOTUS, “The Tax Lobby Is Gunning for the End of Free Direct File,” Taylor Giorno, April 1, 2024, <https://www.notus.org/money/turbotax-lobby-tax-prep-direct-file>.

⁹ The Hill, “IRS to pause modernization efforts under Trump,” Tobias Burns, March 14, 2025, <https://thehill.com/business/5195237-irs-to-pause-modernization-efforts-under-trump/>.

¹⁰ Bloomberg Law, “IRS Planned Worker Cuts Would Hit Advocate, Filing Tool Staff,” Erin Slowey and Naomi Jagoda, March 17, 2025, <https://news.bloomberglaw.com/daily-tax-report/irs-planned-worker-cuts-would-hit-advocate-filing-tool-staff>.

¹¹ Wired, “DOGE Is Planning a Hackathon at the IRS. It Wants Easier Access to Taxpayer Data,” Makena Kelly, April 5, 2025, <https://www.wired.com/story/doge-hackathon-irs-data-palantir/>.

¹² NextGov/FCW, “IRS Direct File to open a week after Trump’s inauguration,” Natalie Alms, January 10, 2025, <https://www.nextgov.com/digital-government/2025/01/irs-direct-file-open-week-after-trumps-inauguration/402104/>.

¹³ Examples collected through TurboTax simulation, conducted by Senator Warren’s office, March 28, 2025, video on file with the office of Senator Warren; see Appendix.

Specifically, Senator Warren’s staff tested TurboTax with a sample tax return of a senior in Arizona who works part time and receives a small pension, Social Security, and a small amount of interest income from her savings account, while raising two grandchildren. Senator Warren’s staff found that filing this return would have cost this grandmother \$128 in total. During the filing process, she would have been solicited for additional expensive and often unnecessary services at least three times, such as “live assistance” from a “TurboTax expert.”¹⁴ This taxpayer’s simple filing situation should not require professional assistance from an “expert”—and, if she did desire assistance, it would be free through Direct File, while TurboTax charges an additional fee.¹⁵ Despite declining to pay for all optional upgrades, in total, this taxpayer would have been charged \$69 to file her federal taxes and \$59 to file her state taxes. Alarming, the taxpayer was never notified that TurboTax had automatically switched from the free version to the “Deluxe” version, which has a base cost of \$69.¹⁶ The TurboTax website attempted to divert the taxpayer away from free filing options early in the process—and continued to do so throughout her federal and state tax filing process. This is not the only way that TurboTax misleads consumers. The company advertises that taxpayers can “File Fed and State for free” (see Appendix D), but this was not the case for our sample taxpayer.¹⁷

This is not a new problem with TurboTax. Indeed, last year, Senator Warren’s staff filed a sample return on behalf of a single working mother in Massachusetts with student debt who would qualify for Direct File and found that TurboTax would have charged her \$133 and tried to upsell her on more expensive services at every turn in the process.¹⁸ In comparison, using Direct File, this taxpayer would have spent \$0 to file both her national and state taxes. On IRS Direct File, after federal filing is complete, the program connects filers with their state’s online filing tool.

Conclusion

It is unconscionable that Intuit is engaged in an “aggressive” and “covert” war on Direct File, which makes it easy and free for millions of taxpayers across the country to file their taxes, while misleading, upselling, and overcharging them for your own services. You should end these abusive tactics and relinquish your efforts to eliminate Direct File once and for all. To better understand your tactics, and the scope of your engagement with the federal government on this issue, we ask that you provide answers to the following questions by April 28, 2025:

1. Will TurboTax end its efforts to eliminate the Direct File program?
2. Why does TurboTax continue to aggressively advertise its services as “Free” when a typical taxpayer can pay \$128 or more?
3. Does TurboTax offer any free state tax filing? If so, for what states and circumstances?

¹⁴ *Id.*

¹⁵ Internal Revenue Service, “IRS Direct File: File taxes for free directly with IRS,” <https://www.irs.gov/filing/irs-direct-file-for-free>.

¹⁶ Examples collected through TurboTax simulation, conducted by Senator Warren’s office, March 28, 2025, video on file with the office of Senator Warren; see Appendix.

¹⁷ TurboTax, “Free Edition,” <https://turbotax.intuit.com/personal-taxes/online/free-edition.jsp>.

¹⁸ Letter from Senator Warren to FTC Chair Khan, April 15, 2024, https://www.warren.senate.gov/imo/media/doc/letter_to_ftc_returbotax.pdf.

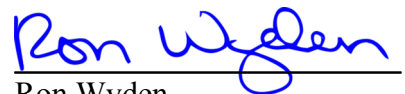
4. Why does TurboTax continue to upsell taxpayers for additional services, regardless of their necessity?
5. How much revenue did TurboTax earn in 2024 from the following practices:
 - a. Encouraging users with simple filing situations to utilize live assistance or other tailored “expert” services?
 - b. Diverting users from the Free program to the Deluxe option?
 - c. Encouraging users with simple filing situations to switch to TurboTax Max?
6. Why would a taxpayer with a simple filing situation like our sample taxpayer be automatically switched over to the Deluxe option? Why do you neglect to inform customers that they are being switched away from the free program?
7. How much does your company expect to spend on lobbying expenses regarding Direct File in 2025?
8. Please list the trade associations, lobbying coalitions, or similar entities that your company is a part of—or has been a part of in the last five years—that have advocated against Direct File.
9. In the past 12 months, how much money has your company donated, whether directly or through other vehicles for political donations, to federal elected officials who are advocating against Direct File?
10. In the past 12 months, which federal agencies has your company lobbied regarding Direct File?
11. Please describe your communications with the Trump Administration regarding Direct File.

Thank you for your attention to this important matter.

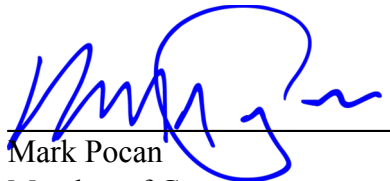
Sincerely,



Elizabeth Warren
United States Senator



Ron Wyden
United States Senator






Mark Pocan
Member of Congress

Appendix A.

Before beginning, TurboTax immediately recommended Senator Warren's staff's sample taxpayer select the Deluxe option.

RECOMMENDED FOR YOU 

File on your own with step-by-step guidance

-  100% accurate calculations, guaranteed.
-  Get personalized answers with AI-Powered Intuit Assist.
-  Start in minutes by adding your tax docs - its as easy as snapping a photo.

What's included

~~\$79~~ \$69

[See other options](#) 

[Continue trial](#)

Appendix B.

Then, in the middle of filling in our sample taxpayer's personal information, another pop-up appeared, encouraging the taxpayer to switch to TurboTax Max, which would add on an additional \$69.

The screenshot shows a pop-up window with a dark background and white text. At the top left, there is a red checkmark icon. At the top right, there are icons for a bell, a shopping cart, a magnifying glass, and a question mark, along with a button labeled "Live tax advice". The main content is a table with four rows of benefits and a summary row. Each row has a checkmark in the right column. The summary row shows "MAX Additional \$69* (\$125 value)". At the bottom, there is a dark blue button labeled "Get MAX" and a partially visible button labeled "Skip these benefits".

| | |
|--|--|
| Identity Theft Monitoring If suspicious activity related to your personal identity is detected online, you'll be notified promptly, and a dedicated Resolution Specialist can help you quickly react to protect your identity. More info | ✓ |
| Identity Theft Insurance¹ If you face financial loss caused by identity theft, you'll be reimbursed up to \$250,000 to recover stolen funds, plus up to \$1 million to pay for legal fees and expenses. More info | ✓ |
| Full Identity Restoration If you experience personal identity fraud, a dedicated Resolution Specialist will recover your identity for you. More info | ✓ |
| Priority Care Get priority access to a TurboTax product specialist if you need help with your taxes. More info | ✓ |
| | MAX Additional \$69* (\$125 value) |

*More important details and disclosures

Get MAX

Skip these benefits

Appendix C.

Shortly after the previous pop-up in Appendix B, another appears, suggesting that the taxpayer switch to TurboTax Live Assisted, which would tack on another \$119 to get individual help that is not necessary for most simple returns.

The screenshot shows a comparison table for 'Live tax advice' with three columns. The first column lists features, the second column has checkmarks, and the third column has checkmarks or 'Optional upgrade'. Below the table, there is a price comparison: \$129 vs \$119* (Federal State additional). A note at the bottom says 'Don't pull out your wallet—deduct this cost from your federal or state refund! Look for the federal or state payment option when you file.' and a link for '*More important details and disclosures'.

| Connect with TurboTax specialists via phone and on your screen to get your taxes done | ✓ | ✓ |
|--|---|--|
| Talk to real tax experts on demand Simply click to connect live on your screen when you need advice or guidance as you do your taxes. More info | | ✓ |
| Get an expert final review Only TurboTax Live Assisted includes a 100% accurate, expert final review at no extra charge. | | ✓ |
| Unlimited tax advice all year Our tax experts are available to answer your questions, year-round. More info | | ✓ |
| A tax expert can do your taxes for you Get matched with a local expert based on your unique tax situation. They'll handle your taxes from start to finish, in real time, ensuring the maximum outcome—guaranteed*. | | Optional upgrade |
| | | \$129 \$119* Federal State additional |

Don't pull out your wallet—deduct this cost from your federal or state refund! Look for the federal or state payment option when you file.

[*More important details and disclosures](#)

Appendix D.

TurboTax charged Senator Warren’s staff’s sample taxpayer \$128, despite advertising free filing and never disclosing that our sample taxpayer had been moved from the Free program to the Deluxe program.

The screenshot displays the TurboTax interface for a taxpayer. At the top, it shows a Federal refund of \$4,356 and an AZ refund of \$700. The total amount is \$5,056. The interface is divided into several sections:

- Pay for TurboTax:** Offers two payment options: "Pay with federal refund" (selected) and "Credit Card" (with logos for VISA, AMEX, MASTERCARD, and DISCOVER).
- Before you file, we recommend:** Promotes "MAX" benefits for \$69, including Lifetime Audit Defense, Identity Theft Monitoring and Insurance, and Full Identity Restoration. A "Learn more" link and an "Add MAX" button are present.
- Order Summary:** Lists the following items:
 - TurboTax Deluxe (2024 federal filing) for \$79, with a crossed-out price of \$69. It is marked as "Included".
 - Arizona state return (2024 state filing) for \$64, with a crossed-out price of \$59. It is marked as "Included".
 - Subtotal:** \$128 (Excludes sales tax).A banner at the bottom of the summary states "You're saving a total of \$15!".

Appendix E.

TurboTax continues to engage in misleading advertising. This ad promises that taxpayers can “file Fed and State free,” but TurboTax switched our sample taxpayer away from the free edition without notification. Users may not know in advance whether filing their return will really be free.



A graphic for TurboTax Free Edition. It features the Intuit TurboTax Free Edition logo in the top left. The main text reads "File your taxes free". To the right, there are two overlapping W-2 forms for the year 2021. Below the main text, a smaller line of text states: "~37% of taxpayers qualify. Simple Form 1040 returns only (no schedules except for Earned Income Tax Credit, Child Tax Credit and student loan interest)."

File Fed and State free

W-2s are here. File your taxes now and get your biggest refund.

[Learn More](#)