

# Congress of the United States

Washington, DC 20515

February 12, 2026

The Honorable Scott Bessent  
Secretary of the Treasury and Acting IRS Commissioner  
Department of the Treasury  
1500 Pennsylvania Avenue NW  
Washington, D.C. 20220

Ken Corbin  
Chief of Taxpayer Services  
Internal Revenue Service  
1111 Constitution Avenue NW  
Washington, D.C. 20224

Dear Secretary Bessent and Mr. Corbin:

We write regarding the Treasury Department's decision to end Direct File, the Internal Revenue Service (IRS)'s free online tax filing program, and "shift focus toward strengthening and promoting" Free File, a partnership between the IRS and private tax preparation companies.<sup>1</sup> We are concerned that Free File will not be sufficient to address taxpayers' needs for free tax filing options considering its history of ineffectiveness. Given our concerns about Americans' ability to easily file their taxes this year, we request information about your plans to replace Direct File with Free File and to address Free File's inefficiencies this tax season.

The Free File program currently consists of eight partner companies that provide free online tax preparation services.<sup>2</sup> Unfortunately, the program has a nearly two-decade long record of underperformance and lack of oversight.<sup>3</sup> In its earliest stages, 17 companies participated in Free File.<sup>4</sup> The program's usage hit its peak during the 2004 tax season, when about five million taxpayers filed their returns through Free File partners.<sup>5</sup> Since then, Free File usage has declined, with only 2.9 million returns filed through the program in 2024.<sup>6</sup> The Free File program has also faced considerable attrition from its partners in recent years – five companies have left the

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<sup>1</sup> U.S. Department of the Treasury, "Report on the Replacement of Direct File," October 2, 2025, p. 16, <https://home.treasury.gov/system/files/131/Report-Replacement-of-Direct-File-2025.pdf>.

<sup>2</sup> Internal Revenue Service, "Browse All 8 Trusted Partners," <https://apps.irs.gov/app/freeFile/browse-all-offers/>.

<sup>3</sup> Georgetown University McCourt School of Public Policy, "Digital Government, Public-Private Partnerships, and Administrative Burdens," Donald Moynihan, <https://mccourt.georgetown.edu/wp-content/uploads/2022/06/Free-File-Case-Study.pdf>.

<sup>4</sup> Library of Congress, "The Internal Revenue Service's Free File Program (FFP): Current Status and Policy Issues," Grant A. Driessen, May 30, 2024, <https://www.congress.gov/crs-product/IF11808>.

<sup>5</sup> Taxpayer Advocate Service, "FREE FILE: The IRS's Free File Offerings Are Underutilized, and the IRS Has Failed to Set Standards for Improvement," [https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2020/07/ARC18\\_Volume1\\_MSP\\_04\\_FreeFile.pdf](https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2020/07/ARC18_Volume1_MSP_04_FreeFile.pdf).

<sup>6</sup> Internal Revenue Service, "IRS announces extension of Free File program through 2029," press release, May 22, 2024, <https://www.irs.gov/newsroom/irs-announces-extension-of-free-file-program-through-2029>.

partnership since 2021.<sup>7</sup> Two of these partners formerly served about 70 percent of Free File users, and according to the Government Accountability Office, “the data show that none of the current participating companies have replaced the volume of Free File users” who previously used the filing services from these partners.<sup>8</sup> The IRS itself has acknowledged Free File’s declining popularity and has made numerous attempts to increase participation in the program, but issues remain that can limit its use.<sup>9</sup>

Numerous reports by Congressional committees, nonpartisan watchdogs like the Treasury Inspector General for Tax Administration (TIGTA), and media outlets have identified serious problems with Free File and its partners.<sup>10</sup> Historically, Free File partners have been found to mislead taxpayers into paying for tax preparation help when they are eligible to file for free.<sup>11</sup> These tactics have included preventing their free filing products from appearing in online searches and using deceptive messaging to push taxpayers to products that are fee-based. A year-long bipartisan Congressional investigation into these practices forced the IRS to take more steps to stop Free File partners from upcharging taxpayers, but more can – and should – be done.<sup>12</sup> The Free File Memorandum of Understanding (MOU), which was negotiated by Free File partners, prohibits the IRS from providing links to free state tax preparation options. Taxpayers in 21 states may be eligible to prepare and file state tax returns online for free through their state revenue agency.<sup>13</sup> Omitting this information for those who use Free File means taxpayers might instead pay unnecessary fees to partners to file their state taxes.

In addition to engaging in misleading conduct, Free File partners have improperly shared taxpayer data, putting taxpayers’ most sensitive information at risk. In 2023, a bicameral Congressional report revealed that members of the Free File partnership were “shockingly careless with their treatment of taxpayer data,” sharing sensitive data with private technology companies, who then used that data to target ads to taxpayers.<sup>14</sup> One company directly acknowledged that they shared Free File users’ data without taxpayers’ knowledge or consent.<sup>15</sup> As recently as 2024, a Free File partner has been the target of a class action lawsuit alleging they

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<sup>7</sup> Government Accountability Office, “IRS Free File Program: IRS Should Develop Additional Options for Taxpayers to File for Free,” April 2022, p. 25, <https://www.gao.gov/assets/gao-22-105236.pdf>.

<sup>8</sup> *Id.*, p. 28.

<sup>9</sup> Government Accountability Office, “IRS Free File Program: IRS Should Develop Additional Options for Taxpayers to File for Free,” April 2022, p. 20, <https://www.gao.gov/assets/gao-22-105236.pdf>.

<sup>10</sup> *Id.*, Treasury Inspector General for Tax Administration, “Improvements Are Needed to Ensure Oversight of and Increase Participation in the Free File Program,” September 30, 2024, <https://www.oversight.gov/sites/default/files/documents/reports/2024-10/2024400067fr.pdf>.

<sup>11</sup> Forbes, “You Call That Free? What TurboTax And The Free File Alliance Cost One Millennial,” Samantha Sharf, April 1, 2021, <https://www.forbes.com/sites/samanthasharf/2016/02/08/you-call-that-free-what-turbotax-and-the-free-file-alliance-cost-one-millennial/>.

<sup>12</sup> Homeland Security and Governmental Affairs, “Ahead of Tax Filing Deadline, Carper, Portman Unveil New Findings on IRS’ Free File Program, Call Attention to Free Services for Taxpayers,” press release, June 9, 2020, <https://www.hsgac.senate.gov/subcommittees/investigations/rep/ahead-of-tax-filing-deadline-carper-portman-unveil-new-findings-on-irs-free-file-program-call-attention-to-free-services-for-taxpayers/>.

<sup>13</sup> Government Accountability Office, “IRS Free File Program: IRS Should Develop Additional Options for Taxpayers to File for Free,” April 2022, p. 20, <https://www.gao.gov/assets/gao-22-105236.pdf>.

<sup>14</sup> Office of Senator Elizabeth Warren, “Attacks on Tax Privacy: How the Tax Prep Industry Enabled Meta to Harvest Millions of Taxpayers’ Sensitive Data,” July 2023, p. 2, [https://www.warren.senate.gov/imo/media/doc/Attacks%20on%20Tax%20Privacy%20Report\\_7.12.2023.pdf](https://www.warren.senate.gov/imo/media/doc/Attacks%20on%20Tax%20Privacy%20Report_7.12.2023.pdf).

<sup>15</sup> *Id.*, p. 1.

have continued to improperly share taxpayer data.<sup>16</sup> When TIGTA reviewed these privacy-related incidents, they found that “the IRS does not have sufficient oversight of the Free File Program partners to ensure that they are meeting all requirements to protect tax return data from unauthorized disclosure.”<sup>17</sup>

Direct File solved many of the persistent problems with Free File. Even in its pilot phase, Direct File was popular, and taxpayer interest was strong: 94 percent of users described their experience as “excellent” or “above average,”<sup>18</sup> and more than 70 percent of taxpayers said they would use Direct File if they were eligible.<sup>19</sup> Under Direct File, sensitive taxpayer information was kept in the hands of the IRS and not leaked to private companies.<sup>20</sup> And critically, Direct File was truly free for all users, with no upcharging.<sup>21</sup>

Despite Direct File’s early success and rave reviews from taxpayers, the Administration ended the program. Taxpayers with low and moderate incomes deserve a free and functional filing option that keeps their information secure. While the Administration has claimed that Direct File was unnecessary due to the availability of Free File, it is clear that Free File is an inadequate substitute for Direct File. Given these concerns, we request the following information about how you will address Free File’s shortcomings this filing season by February 26, 2026:

1. Please provide an update on the IRS’s implementation of the TIGTA recommendations from their report on Free File dated September 30, 2024.
2. How much did the IRS spend on promoting the Direct File pilot in 2024?
3. How much did the IRS spend on promoting Direct File in 2025?
4. How many taxpayers used Free File in 2025?
5. How much did the IRS spend on promoting Free File in 2025?
6. What will the IRS’s budget for promotion of Free File be in 2026?

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<sup>16</sup> Treasury Inspector General for Tax Administration, “Improvements Are Needed to Ensure Oversight of and Increase Participation in the Free File Program,” September 30, 2024, p. 6, <https://www.oversight.gov/sites/default/files/documents/reports/2024-10/2024400067fr.pdf>.

<sup>17</sup> *Id.*, p. 5.

<sup>18</sup> Center for Taxpayer Rights, “IRS Direct File: Filing Season 2025 Report,” May 13, 2025, p. 4, <https://taxpayer-rights.org/wp-content/uploads/2025/06/2025-14762.pdf>.

<sup>19</sup> Tax Policy Center, “Most Americans Are Interested in Using IRS Direct File to Prepare and File Their Taxes,” Aravind Boddupalli, Margot Crandall-Hollick, Michael Karpman, and Noah Kennedy, March 26, 2025, <https://taxpolicycenter.org/fact-sheets/most-americans-are-interested-using-irs-direct-file-prepare-and-file-their-taxes>.

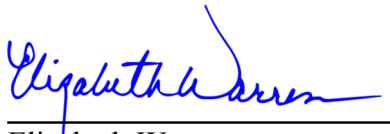
<sup>20</sup> Internal Revenue Service, “All taxpayers have the right to confidentiality,” August 18, 2020, <https://www.irs.gov/newsroom/all-taxpayers-have-the-right-to-confidentiality>; Federation of American Scientists, “Goodbye IRS Direct File, Hello Inefficiency,” Merici Vinton, April 16, 2025, <https://fas.org/publication/end-of-irs-direct-file/>.

<sup>21</sup> U.S. Department of the Treasury, “U.S. Department of the Treasury, IRS Announce Direct File as Permanent Free Tax Filing Option, All 50 States and D.C. Invited to Join in Filing Season 2025,” press release, May 30, 2024, <https://home.treasury.gov/news/press-releases/jy2385>.

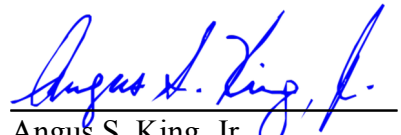
7. Please describe how the Administration plans to promote Free File this year and how this promotion effort will substantively differ from previous Free File promotion efforts.
8. How will the Administration solicit detailed and constructive feedback from taxpayers about user experience to improve Free File?
9. TIGTA identified that the IRS does not have enough oversight of Free File partners to ensure they are compliant with program rules.
  - a. How many staff and how much funding will the Trump Administration allocate to oversight of Free File?
  - b. How many staff currently work on oversight of Free File?
10. Under what conditions would the IRS end a partnership with any Free File partner?
11. Will the IRS commit to modifying the MOU with Free File partners to allow the IRS to promote free state tax filing programs?
12. When does Treasury plan to convene the Free Filing Modernization Summit, as outlined in the agency's report on the replacement of Direct File?<sup>22</sup> Will taxpayer and consumer advocacy groups be invited to participate?
13. When does Treasury expect to deliver the supplemental report to Congress on the future of free tax filing, as outlined in the agency's report on the replacement of Direct File?<sup>23</sup>

Thank you for your attention to this important matter.

Sincerely,



Elizabeth Warren  
United States Senator

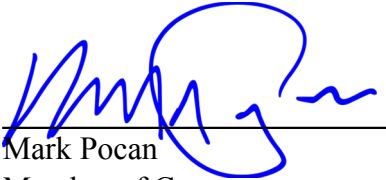


Angus S. King, Jr.  
United States Senator

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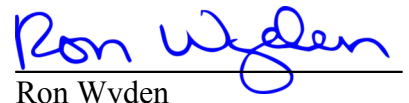
<sup>22</sup> U.S. Department of the Treasury, "Report on the Replacement of Direct File," October 2, 2025, p. 19, <https://home.treasury.gov/system/files/131/Report-Replacement-of-Direct-File-2025.pdf>.

<sup>23</sup> *Id.*



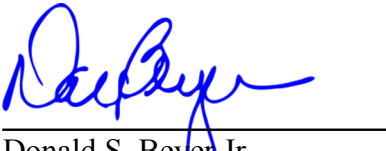
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Mark Pocan  
Member of Congress



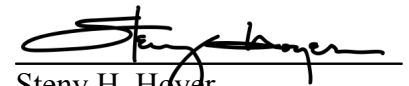
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Ron Wyden  
United States Senator  
Ranking Member, Committee  
on Finance



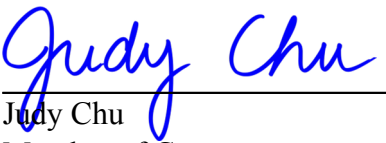
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Donald S. Beyer Jr.  
Member of Congress



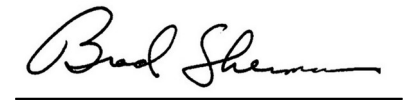
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Steny H. Hoyer  
Member of Congress



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Judy Chu  
Member of Congress



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Brad Sherman  
Member of Congress

CC: Frank Bisignano, Chief Executive Officer, Internal Revenue Service, 1111 Constitution Avenue NW, Washington, D.C. 20224