



For Immediate Release
June 4, 2019

DOZENS OF ORGANIZATIONS, TAX EXPERTS URGE CONGRESS: DON'T CODIFY IRS "FREE FILE" PROGRAM

Program Needs Reform to Protect Low- and Moderate-Income Taxpayers, Groups Warn

WASHINGTON, D.C. – Yesterday afternoon, a group of 35 organizations and 76 tax and economic experts wrote [a letter to Congress](#) to urge against codifying in law a program designed to allow low- and moderate-income taxpayers to file their tax returns for free but isn't working. The organizations and experts warn that locking the current "Free File" program into law would make it difficult to reform it and would continue to allow companies like Turbo-Tax and H&R Block to steer eligible "Free File" customers to their paid products and services.

"In recent weeks, [ProPublica reported](#) that TurboTax used 'deceptive design and misleading advertising to trick lower-income Americans into paying to file their taxes, even though they are eligible to do it for free'," the letter states. "TurboTax and H&R Block reportedly even took steps to hide their Free File products from Google and other search engines. These kinds of tactics may help explain why, although more than 70 percent of tax filers meet the income eligibility criteria for Free File, less than 3 percent actually use it, with the numbers declining in recent years."

The letter to the chairmen and ranking members of the Senate Finance and House Ways & Means Committees says Congress should investigate "whether the companies in the Free File Alliance are actually offering a free and accessible service to low- and moderate-income taxpayers as promised.

"We believe such scrutiny will reveal that rather than serving taxpayers' needs as intended, Free File often operates as a means for the private, for-profit tax preparation industry to gain direct access to consumers and their protected tax information for purposes of marketing and upselling expensive products and services," the letter states.

The letter suggests a number of reforms to the Free File program, including requiring Free File Alliance companies to prominently notify eligible customers that they can obtain free federal tax preparation services as well as notifying customers of any free services offered by state or local governments; requiring an annual audit of the Free File program to review compliance with the governing agreement; and prohibiting the Free File companies from taking actions to limit public awareness of the Free File products, such as manipulating search engine results.

The full letter signed by 35 tax, consumer and social justice organizations along with 76 tax and economic experts is online [HERE](#).

Contact:
Jan Kruse
Director of Communications

*National Consumer Law Center
7 Winthrop Sq.
Boston, MA 02110
617.542.8010
jkruse@nclc.org*

*Dennis Bailey
Director of Communications
Americans for Tax Fairness
202-733-3444
dbailey@americansfortaxfairness.org*

*Julia Cusick
Associate Director, Media Relations
Center for American Progress
202-682-1611
jcusick@americanprogress.org*