

U.S. Sen. Baldwin: Joins 22 colleagues in introducing the Tax Filing Simplification Act

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WASHINGTON, D.C. – U.S. Senator Tammy Baldwin joined 22 colleagues in introducing the *Tax Filing Simplification Act of 2022*, legislation that simplifies the tax filing process for millions of Americans, saving them hours and hundreds of dollars. Along with lowering costs and eliminating red tape for all taxpayers, the simplified filing tools would ensure that more eligible people – including millions of low-income Americans – receive important tax refunds, like the Child Tax Credit and Earned Income Tax Credit. According to recent polling, 77% of Americans support this legislation.

“Wisconsin taxpayers waste hours and hundreds of dollars each year on a confusing tax system. It does not have to be this way,” **said Senator Tammy Baldwin.** “This legislation would offer an easy-to-use online service that would simplify the tax filing and preparation process, saving Wisconsinites time and their hard-earned money.”

This legislation follows years of issues with the Free File program, which was outsourced by the Internal Revenue Service (IRS) to the tax prep industry and [serves](#) just 3% of taxpayers when 70% are eligible. Longtime Free File Alliance member Intuit [has been](#) sued for scamming taxpayers into paying for filing services that should have been free, and faced reports of ongoing abuse of revolving door tactics to defend the broken tax filing system. The Government Accountability Office recently recommended that the IRS develop additional options for free online filing, and Treasury Secretary Janet Yellen agreed that investing in truly free and simple tax filing tools like those proposed in this legislation is “definitely a priority”.

“Filing taxes can be stressful and time-consuming for everyone, and for millions of families it stands between them and vital tax credits that can help them pay the bills and save for the future. Simplifying tax filing is critical to lift the burden off families, ensure everyone can access the refundable credits they are owed, and realize the potential of these credits to promote economic security and advance racial and economic equity,” **said Megan Martin, Executive Vice President at the Center for the Study of Social Policy.**

“The problems caused by an overly complicated tax filing system—the time, expense, and worry that families are faced with each April—should not be a given in this country,” **said Susan Harley, managing director of Public Citizen’s Congress Watch division.** “By implementing reforms to simplify the system such as return-free filing and a government run Free File program, the Tax Filing Simplification Act would ensure the IRS takes swift action to provide filers with a better experience while lessening the chances they make the small, well-meaning mistakes that tie up the IRS’ resources.”

The Tax Filing Simplification Act makes several commonsense changes to simplify and decrease the costs of the tax filing process for millions of American taxpayers by:

- Prohibiting the IRS from entering into agreements that restrict its ability to provide free online tax preparation or filing services.
- Directing the IRS to develop a free, online tax preparation and filing service that would allow all taxpayers to prepare and file their taxes directly with the federal government instead of being forced to share private information with third parties.
- Enhancing taxpayer data access by allowing all taxpayers to download third-party-provided tax information that the IRS already has into a software program of their choice, saving time and decreasing the risk of math errors on W-2 income or CTC payments that lead to significant processing delays.
- Directing the IRS to expand the CTC non-filer tool to cover other tax benefits, especially the EITC.
- Allowing eligible taxpayers with simple tax situations to choose a return-free option, which provides a pre-prepared tax return with income tax liability or refund amount already calculated.
- Mandating that these data and filing tools be made available through a secure online function and requires any participating individual to verify his or her identity before accessing tax data.

- Reducing tax fraud by getting third-party income information to the IRS earlier in the tax season, allowing the agency to cross-check this information before issuing refunds.
- Directing the IRS to expand the CTC non-filer tool to cover other tax benefits, especially the EITC, by March 1, 2023.

This bill was led by Senator Elizabeth Warren (D-MA) and is cosponsored by Senators Richard Blumenthal (D-CT), Cory Booker (D-NJ), Bob Casey (D-PA), Tammy Duckworth (D-IL), Diane Feinstein (D-CA), Kirsten Gillibrand (D-NY), Maggie Hassan (D-NH), Mazie Hirono (D-HI), Tim Kaine (D-VA), Angus King (D-ME), Amy Klobuchar (D-MN), Patrick Leahy (D-VT), Ed Markey (D-MA), Jeff Merkley (D-OR), Alex Padilla (D-CA), Bernie Sanders (I-VT), Brian Schatz (D-HI), Jeanne Shaheen (D-NH), Tina Smith (D-MN), Debbie Stabenow (D-MI), and Sheldon Whitehouse (D-RI). Representatives Katie Porter (D-CA) and Brad Sherman (D-CA) are introducing the House companion legislation.

The bill is endorsed by the following national groups: Center for the Study of Social Policy, Children's Defense Fund, Public Citizen, AFL-CIO, Alliance for a Just Society, American Family Voices, American Federation of State, County and Municipal Employees (AFSCME), American Federation of Teachers, American-Arab Anti-Discrimination Committee (ADC), Americans for Democratic Action (ADA), Americans for Financial Reform, Americans for Tax Fairness, Blue Future, Center for American Progress, Center for Disability Rights, Center for Economic and Policy Research, Center for Law and Social Policy (CLASP), Center for New Revenue, Children's HealthWatch, Coalition on Human Needs, CommonDefense.us, Community Change Action, Consumer Action, DemCast USA, Economic Policy Institute, Economic Security Project Action, Fayetteville Police Accountability Community Taskforce, Food Research & Action Center, Futures Without Violence, Humanity Forward, ideas42, In the Public Interest, Income Movement, Institute for America's Future, Institute for Policy Studies- Program on Inequality, Institute on Taxation and Economic Policy, ISAI AH (MN), Jain Family Institute (JFI), Jobs With Justice, Main Street Alliance, MANA, A National Latina Organization, Missionary Oblates of Mary Immaculate JPIC, MomsRising, MoveOn, National Association of Hispanic Elderly, National Association of Social Workers, National Black Justice Coalition, National Coalition for Asian Pacific American Community Development (CAPACD), National Community Action Partnership, National Consumer Law Center (on behalf of its low income clients), National Diaper Bank Network, National Employment Law Project, National Immigration Law Center, National LGBTQ Task

Force Action Fund, National NeighborWorks Association, National Network for Arab American Communities, National Organization for Women, National Resource Center on Domestic Violence, National Women's Law Center, NETWORK Lobby for Catholic Social Justice, Our Revolution, Oxfam America, ParentsTogether Action, Partnership for America's Children, Public Good Law Center, Responsible Wealth, RESULTS, RootsAction.org, Share Our Strength, Sojourners, State Revenue Alliance, Take On Wall Street, The Arc of the United States, Unitarian Universalists for Social Justice, United Church of Christ Justice and Local Church Ministries, United for a Fair Economy, Universal Income Project, and Women's March.