

# Paper Checks are Phasing Out

*What the IRS's digital shift means for you*



As part of its ongoing modernization efforts, the IRS launched its Paperless Processing Initiative in August 2023. The goal is simple: reduce fraud, prevent improper payments, and speed up processing by moving away from paper-based tax returns, forms, correspondence, and payments.

Beginning with the 2025 filing season, the IRS has largely transitioned to electronic payments and refunds. While paper checks are still accepted in limited circumstances, the agency now strongly discourages mailing checks whenever possible, as paper payments are more vulnerable to loss or theft and often take longer to process.

Limited exceptions remain for individuals without access to banking services or in situations where electronic payments would cause undue hardship. However, most taxpayers should plan to send payments electronically and receive refunds through direct deposit or other electronic methods.

It's important to note that the process of filing a tax return itself has not changed. The biggest difference taxpayers will notice is speed. Refunds issued electronically are often processed within 21 days or less.

## How to Send Electronic Payments to the IRS

Taxpayers have several secure, IRS-approved options for making electronic payments:

### 1. Direct Pay from a Bank Account

Taxpayers can pay directly from a checking or savings account through the IRS Direct Pay system at no cost and no sign in required.

### 2. Electronic Federal Tax Payment System (EFTPS)

This option is commonly used by businesses and individuals who make recurring or estimated tax payments. It helps employers keep an eye on their tax responsibilities, even if they have hired a payroll service provider.

### 3. Debit or Credit Card

The IRS uses third party payment processors for payments by debit and credit card. Approved processors include Venmo, PayPal, Click to Pay, and VanillaDirect, though service fees may apply.

### 4. IRS Online Account

Taxpayers with an IRS online account can view balances, make payments, and track payment history electronically.

## How to Receive Your Refund

Choosing an electronic refund option helps ensure faster and more secure delivery:

### 1. Direct Deposit

Direct deposit is the fastest and safest method to receive your refund. If you are using a tax software, like TurboTax, please select direct deposit as your refund method and enter your bank account and routing number when prompted. If you are working with a tax preparer to file taxes, please make sure to give them your information so they can enter it into your return. Please note that refunds can be deposited into one or multiple bank accounts.

### 2. Prepaid Debit Cards

If you don't have a bank account, you can potentially use a prepaid debit card to receive your refund. Some prepaid cards accept ACH deposits and may be eligible for refunds. However, it's important to be aware of any fees or limitations before agreeing to have your return deposited to a prepaid debit card.

*we're here to help*

Changes to tax payment and refund processes can feel overwhelming, especially for taxpayers who have relied on paper checks for years. If you have questions about setting up electronic payments, choosing the right refund method, or understanding how these changes affect your financial planning, professional guidance can make all the difference.

Preparing early is the best way to stay ahead of IRS processing changes and avoid unnecessary delays ahead of this tax season.



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