



Consumer Federation of America



Consumer Action
Education and Advocacy Since 1971

April 21, 2006

By Fax and Email

The Honorable Daniel K. Akaka
United States Senate
Washington, DC 20510

Dear Senator Akaka:

The National Consumer Law Center (on behalf of its low-income clients), Consumer Federation of America, Consumers Union, the U.S. Public Interest Research Group and Consumer Action write to support S. 2550, the "Free Internet Filing Act." Consumer groups have long advocated for what S. 2550 would provide - the ability of taxpayers to electronically file their returns without the need for a third party intermediary.

Enabling taxpayers to file electronically directly with the Internal Revenue Service will benefit taxpayers tremendously. It will save taxpayers the fees charged by some commercial preparers for electronic filing. Unlike the current Free File program established by the IRS, S. 2550 will provide taxpayers with free electronic filing without being subject to cross-marketing pitches for refund anticipation loans, mortgages and other financial products which may not be in their best interests.

S. 2550 will also help taxpayers to keep their information private. By allowing free direct electronic filing with the IRS, taxpayers will have the ability to bypass commercial preparers that might exploit or share their personal, confidential tax information for non-tax purposes.

We believe the IRS should have been required a long time ago to establish free direct electronic filing. For many years, Americans have been able to apply for federal student financial aid on www.fafsa.ed.gov and Social Security retirement benefits at www.ssa.gov. A free direct electronic filing program at www.irs.gov is long overdue.

If you have any questions about this letter, please contact Chi Chi Wu at 617-226-0326.
Thank you again for all your efforts to protect taxpayer rights.

Sincerely,

Chi Chi Wu
Staff Attorney
National Consumer Law Center

Jean Ann Fox
Director of Consumer Protection
Consumer Federation of America

Edmund Mierzwinski
Consumer Program Director
U.S. Public Interest Research Group

Susanna Montezemolo
Policy Analyst
Consumers Union

Linda Sherry
Director, National Priorities
Consumer Action