

**Electronically Filing: Everyone Else is Doing It**

Taxes are a necessary evil of the working world, and no matter how hard you try to avoid them, tax season somehow creeps up on you each and every year. Each year as you do your taxes, you may find yourself being asked the following question: Do you want to file your taxes electronically? Understanding what it means to file electronically is an important part of filing taxes in general.

**What is Electronic Filing?**

Electronic filing, or e-filing, is the process of submitting tax returns via the Internet using tax preparation software that has been approved by a tax authority such as the Internal Revenue Service (IRS).

There are a couple different ways to e-file your tax return. A paid tax preparer will work with you to complete the tax returns and then send them to the IRS electronically. While some tax preparers will take care of the entire process, including filling in the electronic forms, others may have the taxpayer fill out a paper return and then transfer the information to the electronic format. If you run a small business, you might consider purchasing 1099 software and/or W-2 software to get the [right paperwork](https://www.1099-etc.com/software/) in order. To encourage more taxpayers to e-file, the IRS created a Free File program on the IRS [website](https://www.irs.gov/uac/free-file-do-your-federal-taxes-for-free) to make electronically filing your taxes free and easy. The catch with this program is that it can only be used by individuals whose adjusted gross income (AGI) is $64,000 or less.

**How is E-filing Beneficial?**

Electronically filing your taxes sounds like an easy way to file your taxes, but does it offer any other benefits besides ease?

E-filing your tax return may be a little bit safer than a paper return, as a paper file runs the risk of being lost in the mail or postponed. According to the [Tax Defense Network,](https://www.taxdefensenetwork.com/blog/reasons-to-e-file-your-taxes-this-year/) the IRS’ e-file system uses sophisticated encryption and follows very strict security guidelines to ensure that your e-filed tax return is both safe and secure. E-filing also means that the IRS receives your tax return instantly, which could lead to a faster refund. The day after your taxes have been filed electronically, you can check the status of your refund using the “[Where’s My Refund](https://www.irs.gov/refunds)” service on the IRS website, and most taxpayers can expect their refund within 21 days of e-filing their tax return. If you opted to have your refund direct deposited, your refund may reach you even faster.

According to the [IRS](https://www.irs.gov/uac/top-five-reasons-to-efile), e-filing touts other benefits as well such as being a little more accurate and offering payment flexibility. E-filing may help you to avoid mistakes since the system does the math for you and guides you every step of the way, and accuracy is important when trying to avoid a rejected tax return. Should a mistake be made, either by you or your tax preparer, it can be realized and corrected much quicker since the e-filed returns are processed instantly as compared to paper returns. E-filing also offers payment flexibility in that taxpayers can e-file early and set up automatic payment up until the April 15 due date. Payments can be made electronically via your bank account, or by credit/debit card, check, or money order.

**Situations Where E-filing Isn’t an Option**

Taxpayers successfully e-file their tax returns every year, but there are some tax returns that just can’t be e-filed. You can’t e-file returns that contain overrides, no taxable income, IRS forms not accepted on the Forms and Schedules list, and many nonresident and part-year state returns. Amended returns (form 1040X) are not eligible for e-filing either, and must be mailed in.

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