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KOLAN DAVIS, STAFF DIRECTOR AND CHIEF COUNSEL
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May 6, 2019

The Honorable Charles P. Rettig
Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, D.C. 20224

Dear Commissioner Rettig:

We write with respect to the IRS' announcement on May 3, 2019, that it is reviewing the recent controversy involving the Free File program, which for 17 years has provided certain taxpayers with the ability to file their federal income tax returns through the free use of software developed and made available by the private sector. Recent news articles have alleged deceptive advertising practices and practices involving search-engine manipulation by some of the private-sector participants in this program. Once the IRS has completed its review of these allegations, we request that you review the IRS' memorandum of understanding with the program's participants (known as the "Free File Alliance") to ensure industry compliance, and take any necessary actions to ensure the integrity and purpose of the Free File program, including amending the memorandum as necessary to bar whatever deceptive acts and practices the IRS might uncover as a result of its investigation.

It is our understanding that far fewer taxpayers use the Free File program than are actually eligible. We need to ensure that is not caused in part by the actions of certain participants in the Free File program itself. If the recent allegations are true, they would appear to violate the spirit of the agency's agreement with industry, which requires companies to work to increase "no cost" electronic filing. Further to this point, the IRS should take this opportunity to reevaluate whatever agreement it might have with the Free File Alliance to maximize the efforts of marketing the Free File program to eligible U.S. taxpayers, regardless of how those efforts are shared between the IRS and the Free File Alliance going forward.

The Free File program was implemented in 2002 with the goal of making it easier for low- and middle-income taxpayers to file their taxes. If participants of the Free File program are actively inhibiting the ability of taxpayers to file for free, corrective action must be taken so that the entire program better serves low- and middle-income taxpayers. This is particularly important because such participants play a critical role in ensuring that all taxpayer information is kept safe, whether taxpayers pay for tax-preparation services or not, through protocols

developed and maintained by the IRS, state tax administrators, and the industry through the Security Summit. We cannot afford for allegations of deceptive acts and practices to impede the continued work of the Security Summit, as protecting the security of all taxpayer information is of the utmost importance.

We look forward to receiving updates on the IRS' review of the Free File program and how the IRS expects to improve the ability of taxpayers to file their taxes and ensure that Free File Alliance members are upholding their commitments. Please contact Chris Conlin or Adam Carasso with questions at (202) 224-4515.

Sincerely,



Charles E. Grassley
Chairman
Senate Committee on Finance



Ron Wyden
Ranking Member
Senate Committee on Finance