

IRS PHASE OUT OF PAPER CHECKS

Effective September 30, 2025, the IRS is phasing out paper checks for individual tax refunds and moving toward required electronic payments. This change, mandated by Executive Order 14247, aims to enhance security, reduce fraud, and increase efficiency. Taxpayers should prepare for the 2026 filing season by arranging for electronic transactions.

Key changes for tax year 2025 (filed in 2026)

- **Refunds will be electronic:** The IRS will no longer issue paper refund checks to most individual taxpayers.
 - **Direct deposit:** The fastest and most secure option is direct deposit into a checking or savings account. The IRS encourages taxpayers to ensure their banking information is up-to-date.
 - **Delayed paper checks:** If bank information is not provided and the taxpayer does not qualify for an exception, the IRS will hold the refund for six weeks before issuing a paper check.
 - **Alternatives:** Prepaid debit cards and digital wallets will be available as alternatives to traditional bank accounts (*must still have routing and account number*).
- **Electronic payments encouraged:** While payments to the IRS can still be made by paper check for tax year 2024 (filed on extension), the agency is encouraging taxpayers to transition to electronic payment methods. Mandatory electronic payments for taxes owed are expected to take effect in 2027 or later, after infrastructure updates.
- **Limited exceptions:** The Treasury Secretary has the authority to grant limited exceptions for individuals without access to electronic payment methods, such as those who are unbanked, disabled, or have religious objections. The IRS will provide details on how to apply for an exception.

What you should do now

To avoid delays with your 2025 tax refund, we recommend taking the following steps:

1. **Locate your banking information:** Find your bank account and routing numbers.
2. **Consider banking options:** If you do not have a bank account, explore low-cost options through initiatives like FDIC's GetBanked or prepaid debit cards.

3. **Use electronic payments for taxes owed:** To become familiar with the process, use an electronic payment method for any estimated taxes or tax liabilities. Available options include:

1. IRS Direct Pay
2. Electronic Federal Tax Payment System (EFTPS)
3. Credit or debit card
4. IRS Online Account

We will collect your direct deposit information during our tax preparation process for your 2025 return. Please be prepared to provide it to us to ensure a smooth and timely refund.

If bank information is missing or incorrect, the refund may be delayed, and the IRS will send a letter requesting the information. Taking action now will ensure a smooth and timely refund process.