

they started a pilot program. The IRS started a pilot program called Direct File in 2024.

I used to be the senior Democrat on the Appropriations subcommittee that oversees the IRS and was actively involved in trying to develop and improve this program just from the Senate's side. It was exciting to me to get the initial reports that hundreds of thousands of Americans used Direct File in its first year, and after several years, they demonstrated that, on average, folks were saving \$160, and 90 percent had a positive experience—either an above-average positive or an excellent experience. Many did their taxes in less than an hour—13 hours?—1 hour—accessing all of the government information that they had already in their database and then simply confirming it and filing versus having to work with someone and pay someone to prepare their taxes.

Well, President Trump shut down this program last year. Why? I don't know, but it is certainly uncomfortable that there was a major donation to his inauguration from the leading company that makes you pay taxes to file taxes—that makes you pay a fee to them to file and pay your taxes.

So, folks, today on tax day most Americans are looking for whether there is a way for them to file quicker, cheaper, and more easily. Three-quarters of Americans feel like they have paid as much as they expected, if not more, this year in spite of the No. 1 priority of the Republicans in this body last year, which was a big tax bill that gave tax cuts to millionaires. Working Americans did not see the tax relief from the so-called Big Beautiful Bill that they expected. They mostly saw cuts to healthcare and to food assistance.

It costs \$160, on average, to pay someone to prepare your taxes. Well, that may not seem like a lot to a business executive—to a big tax company executive—who got a big tax cut himself, but it means a lot for tens of thousands of my constituents, of working Delawareans. It does not have to be this way again next year. We should pass this bill and, once again, make it easy, free, and fair to file your taxes.

I urge my colleagues to support this bill, and I am excited to join with so many of my colleagues in advocating that, by unanimous consent, we simply reopen the path toward easy, free tax filings for Americans next year.

The PRESIDING OFFICER. The Senator from Connecticut.

DIRECT FILE ACT

Mr. BLUMENTHAL. Mr. President, I am here on tax day to highlight how the Trump administration has made filing taxes more costly, more complicated, and more time-consuming for working Americans. Nobody likes paying taxes. It is painful, but this administration somehow has managed to make it even more painful. From

eliminating a free, easy-to-use tax service program to cutting funding and staff at the Internal Revenue Service, the Trump administration has made it needlessly harder for millions of Americans to meet their tax obligations this season.

On tax day, we recognize there is an obligation. Most Americans fulfill it. But, at the very least, the government can make it less painful, not more so. But, in late 2025, at the behest of giant tax preparation companies like TurboTax and H&R Block, President Trump canceled the popular Direct File Program. That was a free online service that allowed taxpayers to file their Federal income taxes directly with the IRS.

By every measure, believe it or not, this government program was a runaway success. It received overwhelmingly favorable reviews. Remember, this is a service enabling people to pay taxes, and people loved it. Ninety percent of survey respondents ranked their experience as "excellent" or "above average." It was estimated to save the average taxpayer \$160 and hours of their time.

In short, this program worked. No more third-party companies nickel-and-dime taxpayers with expensive rates and junk fees. It was just straightforward, no cost, an option that hundreds and thousands of families relied on to pay their taxes.

And studies projected that a full-scale, permanent Direct File Program would have saved Americans \$11 billion annually in combined filing fees and time costs.

The Direct File Program also helped lower income families because they were able to access millions of dollars in unclaimed tax credits, with projections suggesting it would have delivered up to \$12 billion in additional tax credits annually. That is a lot of money. As costs increase for everything—food, housing, healthcare—this program was an easy way to give working Americans a well-deserved break.

But the Trump administration canceled the program. It caved to the tax software companies, and, yet again, it put profits over people. Frankly, this is just stupid. It is dumb. It is crazy, if you consider the public interest.

Americans are required to pay taxes. So the Federal Government should have an easy way for them to do it, and I am proud to have introduced the Direct File Act with my colleagues. Our bill would reinstate the Direct File Program and prohibit the IRS from entering into agreements that restrict its ability to provide these free services.

Sadly and unforgivably, Republicans are opposing the Direct File Act. I guess, instead, they are cozying up to the Big Tech companies and putting corporate interests above those of everyday Americans. You would think, in this kind of issue, we would have common ground. It is an easy issue.

And taxpayers deserve better from the IRS. They need an Agency that is

fully staffed, adequately resourced, and capable of delivering timely, reliable service, including refunds.

A lot of people say: Oh, well, the IRS. We hate the IRS.

Well, you hate the IRS until you are owed a refund or until the IRS makes a mistake because they are understaffed or because they don't have modern technology that could save all of us money.

And that is why I recently sent a letter to the IRS, urging them to take immediate steps to ensure it is fully prepared to meet American taxpayer needs during this 2026 filing season.

President Trump seems to be on a mission to make life more difficult and more expensive for Americans, and he seems to be succeeding. Eliminating the Direct File Program, as well as cutting funding and reducing staffing at the IRS, is simply increasing costs and making the system more difficult, more painful, more onerous for all taxpayers—maybe except for the millionaires and billionaires who can well afford their accountants and wouldn't use the Direct File Program. But for most of the people of America who want to pay their taxes and do it, it simply imposes an additional unnecessary burden.

I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

UNANIMOUS CONSENT REQUEST—S. 3948

Ms. WARREN. Mr. President, I want to say thank you to my partner in these efforts, Senator BLUMENTHAL, and to all the others who have come here to speak on tax day about how outrageous it is that a program to actually let people pay their taxes online for free has been destroyed by Donald Trump and the Republicans.

So I am about to call up a bill to the floor that would let Americans file their taxes for free directly with the IRS. It is amazing to me that anyone could oppose this, especially when filing your taxes is something that Americans are required by law to do every year. But as sure as the Sun will rise, Republicans are going to block my bill.

For years, giant tax prep companies like TurboTax and H&R Block have rigged our system so they can cash in on your hard-earned dollars, and the result is that people spend now an average of 8 hours and \$160 each year just to file their taxes using tax prep services.

These big companies don't just take a fee for filing your taxes; they have actually become experts at figuring out ways to upsell, to charge junk fees, and to make money off your personal information. It is really outrageous.

So I drafted a bill that would allow Americans to file their taxes online for free and directly with the IRS through a program called Direct File.

Now, tens of millions of people wouldn't have to go to a paid preparer if they didn't want to. They could just file directly with the IRS.

Over 160 Members of Congress have joined me on this bill. Over 100 unions

and advocacy groups and national organizations have endorsed this bill. And I am forcing the Senate to decide today: Will we pass this bill?

During the Biden administration, the IRS ran a pilot program for Direct File. People who had a chance to use it loved it. Ninety-four percent of taxpayers who used the program described their experience as “excellent” or “above average,” which, by the way, is not exactly how most Americans describe paying their taxes most of the time. But Direct File worked. We have seen it. We actually made it work.

And once it was fully operational, Direct File was projected to save taxpayers \$23 billion a year and more hours than anyone could count.

So why do we not have Direct File today? We already had it. We set it up during the Biden years, ready to go, and had it underway. It was working. Well, the answer is tax prep companies hated it, and they hated it because it cut into their bottom line.

Why would people pay for TurboTax if they could easily file their taxes online for free?

And that is why, for years, big tax prep companies have lobbied the government to keep people from using a program like Direct File.

Now, the Direct File pilot project was a huge success, and yet it was dropped. Why? Well, first, the company that runs TurboTax, Intuit, donated a million dollars to Donald Trump's inauguration. And then, a few months later, reports came out that Donald Trump and Elon Musk wanted to kill the free tax filing program. And last fall, they delivered. That is exactly what they did.

This story tells you everything you need to know about why Republicans will block my bill today. This is all about money and power. It is about letting big corporations donate to politicians and then politicians just opening the doors so those big companies can rip off the American people.

To Republicans who say that making filing your tax for free with the IRS is too expensive, I just want to point out that for one day of bombing in Iran, we could pay for 20 years of Direct File.

And to Republicans who say that it is already free to file your taxes, I say: Go talk to the millions of people who paid over 100 bucks to file their taxes this year and ask them just how free it was, even when they click on the “free” buttons, and how it is that these guys have managed to put them in places where they end up paying.

And to the Republicans defending the status quo, just ask yourselves: Why are you on the side of TurboTax and H&R Block, instead of your constituents?

Filing your taxes should be easy and free, and I urge every Senator to vote yes on the Direct File Act. Let's save people some time and some money and show the American people that we can actually make government work not just for giant corporations, but we can make government work for them.

Mr. President, I ask unanimous consent that the Committee on Finance be discharged and the Senate proceed to the immediate consideration of S. 3948; that the bill be considered read a third time and passed; and that the motion to reconsider be considered made and laid upon the table.

The PRESIDING OFFICER. Is there an objection?

The Senator from Idaho.

Mr. CRAPO. Mr. President, reserving the right to object, I rise in opposition to S. 3948, the Direct File Act of 2026.

After listening to those who have described why we need it, you might say: Well, how could there be a different story or another side of the coin?

I will tell you. There is a huge disagreement about the facts, and there is a huge disagreement about what has happened, and there is another side of the coin.

This bill seeks to reverse the Treasury Department's recent suspension of the Direct File Program. Direct File was an unauthorized, unnecessary program that wasted taxpayer funds and presented a clear conflict of interest by empowering the IRS to be not only the evaluator of tax returns and the enforcer of tax returns but the preparer of tax returns, empowering the IRS to prepare tax returns for the same taxpayers that it was later going to audit.

And, by the way, when that did happen with some of these taxpayers, they were successfully audited by the IRS for errors in their returns.

As part of the Biden administration's so-called Inflation Reduction Act, congressional Democrats provided the IRS with \$15 million to study the feasibility of providing a new, direct e-file program. On the same day that the study was due to Congress, the Biden administration announced the launch of a limited pilot Direct File Program. This so-called pilot program quickly expanded, spending tens of millions of dollars, despite the narrow mandate provided by Congress.

As part of the Working Families Tax Cut Act, Congress further directed the Treasury Department to evaluate and study alternatives to direct file.

Treasury's subsequent October 2025 report found significant concerns with the Biden administration program, warranting its suspension.

What were those concerns? In its report, the Treasury found that the Direct File Program accounted for just two-tenths of 1 percent—get that—0.2 percent of the 146 million tax returns filed in the year 2024.

Yet despite its small footprint, Direct File cost taxpayers at least \$41 million to administer. That is \$138 per return in 2024 and nearly three times the total funding authorized by Congress. Alarming, the Treasury acknowledged that these figures likely underestimate the true cost of the Direct File Program with the IRS failing to include costs for employee support, online services, and submission processing—among others.

A later report from the nonpartisan Treasury Inspector General for Tax Administration further confirmed that Direct File had poor performance. Contrary to what you had been told, that everyone loved it, it had poor performance.

The Treasury Inspector General for Tax Administration report found that nearly 60 percent of the registered users abandoned their return before they even filed it, meaning that less than half of the registered users even ended up using Direct File to submit a return.

The Treasury Inspector General for Tax Administration also estimated that over 3,000 returns were filed with preventable errors burdening taxpayers and delaying refunds.

There are actually free file options available. This notion that this is TurboTax and H&R Block trying to divert people into its system is simply false. Ultimately, the Democrats' Direct File experiment demonstrates that the IRS can better serve taxpayers by highlighting existing free filing options and improving basic customer service rather than diverting a growing share of its resources and attention to redundant, expensive government-run programs.

Now, what do I mean when I say there are alternatives? Looking at the last year when Direct File was operational, it processed 296,531 accepted returns out of 160 million total filings. That is the .2 percent number.

There are multiple options available to almost all U.S. taxpayers to be eligible to use programs like IRS Free File, a public-private partnership that has no cost. In the same year that 296,000 people used Free File, after I think—I don't know if that number is before or after 60 percent of them declined to stay in the program—Free File filed 1.9 million returns for those who wanted to do it—a public-private partnership.

In addition, there is a group called the Volunteer Income Tax Assistance Program and the Tax Counseling for the Elderly Program—both of which provide free, in-person preparation at thousands of locations nationwide. And these two programs themselves prepared approximately 2.7 million more tax returns for free for people in 2024, vastly exceeding Direct File's reach at a fraction of the cost.

The myth is that people have to go pay money to get their tax returns prepared, when the reality is there are multiple private sector and private-public partnerships that are available for almost all Americans to have their tax returns prepared for free.

Ultimately, the Democrats' Direct File experiment demonstrates that the IRS can better serve taxpayers by highlighting existing free filing tax options and improving its own basic customer service, which it did this year, rather than diverting a growing share of its resources and attention to a redundant, expensive government-run program. Therefore, Mr. President, I object.

The PRESIDING OFFICER. The objection is heard.

The Senator from Massachusetts.

Ms. WARREN. Mr. President, I truly am shocked to hear my colleague from across the aisle describe Direct File as too expensive for the American people. I think he said it cost \$41 million to administer this system. If it is fully operational, Direct File is projected to save taxpayers \$23 billion a year and countless hours of hassle. There are very few things that happen here in Washington that give such a good return on investment to taxpayers.

Senator CRAPO said that people didn't use Direct File and suggested they didn't like it somehow. You know why people didn't use Direct File last year with the Republicans in charge? Maybe it was because the Trump administration and the Republicans accepted millions of dollars from the tax prep companies and did their best to sabotage the program. Here is what we know for sure: Polling shows that over 75 percent of Americans support free tax online filing from the IRS. If you invest in free tax filing, Americans are going to use it.

In fact, we know that because in the pilot project run by the Biden administration, 94 percent of those who used the program said it was excellent or above average. Not usually the kind of responses we get from people when they are paying their taxes.

The argument that Republicans make that Americans can already file their taxes for free with Free File, all I will say is: Well, tell that to the millions of people who paid more than a hundred bucks each to file their taxes this year. Independent watchdogs have concluded over and over and over again that the tax prep companies that run Free File make it incredibly hard for people to find it; and, once they find it, incredibly hard for them to use it. So what do people do? They end up paying through the nose just to file their taxes.

And you know who never got charged to file their taxes? The people who used Direct File. Direct File is the only truly free online filing option for Americans.

You know, the Republicans have argued that it presents conflict of interest for the IRS to both prepare and audit your taxes. I think somehow they seem to misunderstand how Direct File works. People who use Direct File are the ones preparing their own taxes, not the IRS—just like the people who use TurboTax are the ones using a program to prepare their own taxes.

And you know what happened when people used Direct File to prepare their taxes? Their returns got accepted at a higher rate than any other self-prep software—that is, it worked better than TurboTax; it worked better than the services that Americans are paying for.

Look, we know what is going on here, and that is that the Trump administration and the Republicans are accepting

millions of dollars in donations—a point that was not refuted by the objector to this bill. They are accepting millions of dollars in donations from these tax prep companies; and then in return for that money, shutting down Direct File. That is where the real conflict of interest is.

Look, we have a choice to make as a U.S. Senate, and that is: Who are we here for? Why are we here to protect two multibillion-dollar companies that manage to make big bucks by charging individual families \$100, \$150, \$175 just to pay the taxes that they are legally required to pay?

We have a system that works. It would save people billions of dollars across this country. The only reason that we are not doing this is because the tax prep companies have figured out that making political contributions to the Republicans pays off big time. They can kill off a program that would be good for the American people but would hurt their own profitability.

You have got to make a decision: Whose side are you on? The Democrats are on the side of saving money for American taxpayers. The Republicans are on the side of two big tax prep companies because they get paid to be on their side.

So we may not get this one through today, but we will keep coming back.

I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana.

INFLATION

Mr. KENNEDY. Mr. President, with me today is Mr. John Lowery one of my colleagues from my office.

I think I get it, Mr. President. I know you do. Tonight, millions of moms and dads will lie down to sleep, and they won't be able to because they are worried. One of the things that they are going to be worrying about is the cost of living. I get it.

We had really bad inflation under President Biden. It was, like, 9 percent. The President just spent so much money and injected so much money in the economy without increasing supply that prices went through the roof. That is what inflation is: creating more demand than supply. And prices went up.

We have gotten it down to about 3 percent—the inflation rate I am talking about. It jumped up a little last month—about 90, 95 basis points as a result of the price of gas, but I think after the fighting stops in Iran, the price of gas will come back.

That doesn't mean the problem is solved. When you reduce inflation from 9 percent to 3 percent, that is good, but all that means is that prices are rising much quicker. They were going up really quickly when they were rising at 9 percent. Now that they are back down to rising 3 percent, that is better, but they are still going up.

What people want—what I want, from one perspective—is deflation. You want prices to go down, not to just rise less

quickly. Well, the problem with deflation is that we can cause deflation, but the cure will be worse than the disease because we will have to endure unemployment of 9 or 10 percent, and I don't want to see that many Americans—I don't want to see any Americans, but I certainly don't want to see that many Americans thrown out of work.

So what do we do about the cost of living? Look, no amount—no amount—of guilt can change the past. It can't. It doesn't mean you shouldn't learn from the past, but no amount of guilt can change it. And no amount of anxiety can change the future. I mean, it is human nature to worry, but it is not going to change the future.

The only thing we have is the present if we want to make things better. I want to tell you what we are doing—we are doing. We passed a major piece of legislation that is just starting to take effect. It is going to impact every American. They came up with a new name for it because they didn't like the old name, but I kind of like the old name so that is what I am going to call it: the One Big Beautiful Bill. It is really breathtaking in its scope—and will be in its effect.

We cut taxes. Right now—don't take my word for it, just pick up the phone and arbitrarily call some Americans who have filed their taxes. They are getting money back. The average tax refund is up, like, 11 percent. The average American who normally gets a refund and who is already filing is going to get what works out to be an extra \$250 to \$300 a month, so that is going to help them deal with the higher prices.

We also extended the prior tax cuts from 2017 that were about to expire. We made them permanent. Anybody who voted against making them permanent wanted to raise your taxes by \$3.4 trillion. We beat them back.

We increased the standard deduction. Whether you get a refund or not, you are going to pay lower taxes because we increased the standard deduction. We gave Americans a larger child tax credit. We cut taxes for many Americans on Social Security. We cut taxes on tips. We cut taxes on overtime. We gave many Americans a deduction on the interest they pay for a car loan. Not everybody—I don't want to overstate the case here—but many Americans, and I hope you qualify.

For people in business—most businesses in America today are small businesses. I know you read about Google and Meta and all of the biggies, but most businesses in America and most of the jobs in America are created by small businesses. And most of the small businesses are what we call LLCs or sub S corporations. They are passthroughs. They are passthroughs. And we have provided that they don't have to pay any income tax on their first 20 percent of income. That may sound complicated; it is really not. But I can tell you it means more money in the pockets of small business women and small business men.