

Introduction

The Internal Revenue Service (IRS), a branch of the Department of Treasury, is the United State's tax collection agency. Its main role is to carry out the Internal Revenue Code enacted by the United States Congress in 1862.

The electronic filing of income tax returns, or the *e-file* program, began with a partnership between the IRS and H&R Block in 1985 and has since grown to include a large number of tax preparers and individual and business taxpayers. Electronic filing, a method for sending tax returns instantly via computer, began as a pilot project in 1986, processing about 25,000 returns. Since that time, the number of electronic returns has grown into millions per year. The partnerships have also been extended including Intuit for tax software, the Certified Public Accountant community, the software industry and professional tax organizations. Currently, (January 2002) the IRS lists eight tax preparation partners for free online filing of taxes; 24 *e-file* partners for taxpayers use; fourteen *e-file* partners for tax professionals.; and, four partners for business filing of tax documents.

The IRS Restructuring and Reform Act of 1998 (RRA) was signed into law on July 22, 1998 by President Clinton with a major objective of promoting e-file usage. The Act directs the IRS to reorganize from its then current structure into one that is more customer-focused, serving groups of taxpayers with similar needs. The development of the e-file is a work in progress.
