

A Simple Introduction To Filing Electronic Taxes

Nowadays, every department in the governmental or private sector boast a digital nervous system - as Bill Gates put it in his best seller Business at the Speed of Thought - through which it interfaces with the public, listen to the grievances and carries out or facilitates various services. Our current topic of discussion, is electronic tax filing, it makes use of the digital nervous system of the tax department, and in simple terms, it is the World Wide Web's way of filing your tax returns.

In a way, Internet has revolutionized the way people have access to information. It virtually eliminated the unending delay that used to associate with the process of getting services done from governmental bodies in a big way. In the present context, long gone are the days of unending queues and taxing paper works. The electronic filing has made the submission of tax returns a customer friendly exercise. Let us have a look from close quarters the advantages of electronic filing as opposed to the conventional way of filing returns and study what sizeable change it had made in the whole process.

? The first and foremost reform electronic filing had brought about is that it virtually eliminated the need for going through the exhaustive steps of filling the forms and rushing to the nearest post office to get it posted before the due date.

? Not only the paper work, electronic filing in fact has eliminated all sorts of physical movement required in completing the filing of returns. No more office hopping is required. The only thing you needs is a PC and a reliable Internet connection.

? In electronic filing, any mistake that has invariably crept in is corrected in less time. As every bit of data of the tax payer is available online, there is no wastage of time searching dossiers.

? Electronic filing has also reduced the time lag before receiving your tax refunds. Also, with the online submission, it is possible to take a printout of the filed return at the time of submission to keep it as record. No more requests or visiting offices for the same.

? Electronic filing facilitates payment by credit card.

Also, with electronic filing, the back office processing time has reduced by days. For example, even if the customer had waited till the last day before filing his/her returns, still it is possible to get the filing processed within hours of submission as opposed to the 10 odd day's delay that used to occur during the days of paper returns. As a result, as mentioned earlier, it has become possible to complete the refunds within a couple of weeks since filing.

Here is the process of filing returns by electronic means: The customer first should prepare his tax returns (by oneself or through a tax professional). Once the tax returns are in place, then the filing can be done through an IRS e-file provider. Filing can be done online as well, but if you are not sure about the technicalities, it is better to seek professional help. Generally most tax professionals will be licensed IRS e-file providers. Sign all relevant documents and get a customer copy as a record or for future reference. The IRS e-file provider will then file the returns electronically. Within 48 hours of filing the returns, the IRS will send the customer/IRS e-file provider an acknowledgement specifying the current status (acceptance or rejection as it may apply). If it is a rejection, remedial steps should be taken immediately.

As of now, if filing the returns online by oneself, the service as such is free. But if getting the job done through an IRS e-file provider, he/she may charge you a fee for offering you his/her expertise. As there is no solid rule of law in place governing the charging of fees for electronic filing of returns, the fees charged by different IRS e-file providers may vary and hence, from a customer point of view, it would be better to shop around and find out the cheapest deal possible before hiring one for your service.

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