

State Free File

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Free File – Tax Year 2004

State	RFP	Free File	Partially Free	% e-file Returns
AZ	N	1	6	1.4%
MI	N	4	7	2.4%
MO	N	4		
NY	N	4	3	2.1%

Approach to Low Participation Rate

- **States identified root cause of low participation rate at symposium last year.**
- **FTA Call for Action**
- **Developed Uniform Offer**
 - **Clear Understandable Language**
 - **Any Door Access**
 - **Deadline for Offers**
 - **Launch Page Consistency**
 - **Counts**

State's Approach to Low Participation Rate

- **Some States Used FTA Letter**
- **Some Used Email**
- **Created Separate Web Page**
- **States Marketing Approach**
 - **Tax Booklets**
 - **Press Releases**
 - **Payroll Stuffers**
 - **Direct e-mail to Employees**
 - **Partnered with Financial Institutions**
- **Direct Mail Marketing**

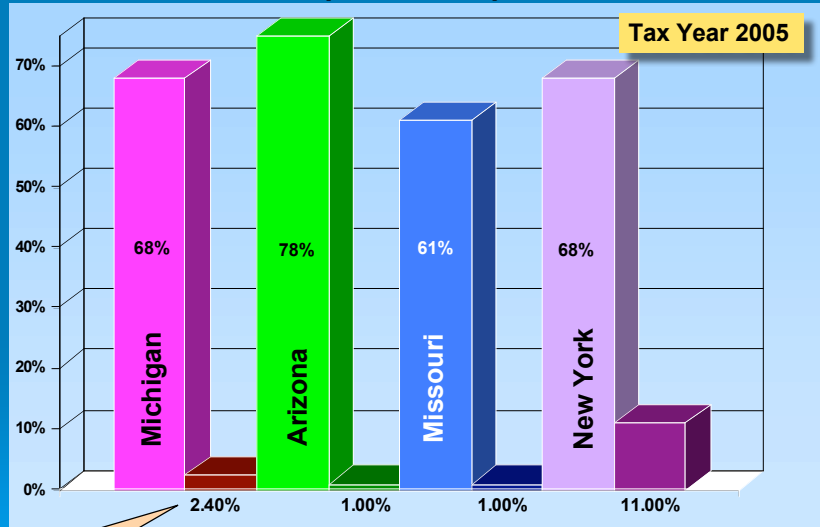
Results of New Approach

- No Significant Impact
- Inconsistent Compliance

Free File – Tax Year 2005

State	RFP	Free	Partially	% e-file
AZ	Y	3	10	1.0%
MI	Y	4	10	2.4%
MO	N	3	11	1.0%
NY	Y	2	0	1.0%

FFA Qualifying vs. Participation (On-line)



Participation Rates

Where Do We Go From Here?

➤ Cooperative Efforts

• States

- Letter of Solicitation
- Marketing

• States & Developers

- Provide a good experience
- Uniformity
- Accessibility
- Clearly identify supported states
- Marketing

Where Do We Go From Here?

➤ Cooperative Efforts (continued)

- State & IRS
 - Uniform Solicitation
 - Accessibility from Web Sites
 - Marketing