

# [***Opinion: Filing tax returns shouldn't be this difficult***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:6BP8-2TJ1-JBSS-S023-00000-00&context=1516831)

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**Body**

(CNN) &#8212; In February, the IRS commissioner defended his agency at a [*congressional hearing*](https://www.nytimes.com/2024/02/14/us/politics/irs-budget-congressional-hearing.html) centered on the country's arduous tax code and filing process at a time when some in Congress want to cut [*IRS funding*](https://www.washingtonpost.com/business/2023/11/02/israel-aid-house-congress-irs/). While the questioning was ripe with partisan ***politics***, there was a common thread that most politicians and taxpayers could agree on: the need to use technology to make the tax process easier for taxpayers and the IRS itself.

As the former CEO of Intuit, I ran TurboTax for 10 years and have founded multiple financial technology firms since. The question I hear over and over from US taxpayers is: "Why is it so hard to do my taxes?"

The root cause is the complexity of our federal and state tax laws. When the income tax was first enacted in 1913, the tax code was just 27 pages long.

New laws and amendments [*have since expanded it to more than 17,000 pages.*](https://www.ntu.org/foundation/detail/65-billion-hours-260-billion-what-tax-complexity-costs-for-americans) Not only is the tax code incredibly lengthy, it also is frequently changing, with an average of [*399 changes each year from 2000 through 2022*](https://www.ntu.org/foundation/detail/65-billion-hours-260-billion-what-tax-complexity-costs-for-americans#ftnt5).

During this tax season, for example, lawmakers are [*debating changes*](https://www.cnn.com/2024/01/16/politics/child-tax-credit-business-tax-congress/index.html) to the child tax credit, which could impact how families file by April 15. These changes naturally lead to confusion, but the IRS doesn't have enough resources to provide help. In 2022, [*only 13%*](https://www.taxpayeradvocate.irs.gov/reports/2022-annual-report-to-congress/full-report/) of taxpayers calling the IRS were able to speak with a live person.

Our problem is rare in the developed world - the tax systems in other countries, such as the Netherlands and Japan, are so simple that most taxpayers can file in [*a few hours or less*](https://www.nytimes.com/2024/02/06/opinion/irs-intuit-tax-season.html). But in the US, the average American spends [*13 hours filing taxes*](https://www.irs.gov/pub/irs-pdf/i1040gi.pdf), which costs the US economy [*$260 billion in labor.*](https://www.ntu.org/foundation/detail/65-billion-hours-260-billion-what-tax-complexity-costs-for-americans#ftnt5)

Unfortunately, there is no prospect of radical simplification of the tax laws. Both political parties use the tax code as a tool to advance their [*political agendas*](https://finance.yahoo.com/news/heres-why-the-us-tax-system-is-so-complicated-190638104.html), from President Abraham Lincoln using the federal income tax to [*pay for the Civil War*](https://finance.yahoo.com/news/heres-why-the-us-tax-system-is-so-complicated-190638104.html) to President Barack Obama amending the tax code to make passing [*The Affordable Care Act possible*](https://www.taxpolicycenter.org/briefing-book/what-tax-changes-did-the-affordable-care-act-make). At this point, untying that Gordian knot is practically impossible.

So, we must look to technology to address the problem. The answer is threefold:

(1) The IRS must rebuild its internal systems to process tax forms, which rely on software that is decades old. Outdated infrastructure not only leads to massive inefficiencies, but also puts taxpayers' personal information [*at risk to cyberattacks*](https://www.gao.gov/blog/outdated-and-old-it-systems-slow-government-and-put-taxpayers-risk). Without modern technology, delays within the agency compound. As of October 2023, [*69.5% of the IRS' inventory*](https://www.taxpayeradvocate.irs.gov/reports/2023-annual-report-to-congress/most-serious-problems/), which includes amended returns, was delayed. Of course, these gaps impact taxpayers waiting for information and returns, but they also harm the government, as [*the IRS must pay interest*](https://www.taxpayeradvocate.irs.gov/reports/2023-annual-report-to-congress/most-serious-problems/) on overpayments it does not refund in a timely manner.

(2) External, customer-facing tax preparation capabilities also need to be drastically improved. Both the IRS and the states must build online portals to make the filing of very simple tax forms easier, cheaper and faster. The good news is that [*pilot programs are underway*](https://www.cnn.com/2024/01/25/politics/irs-direct-file-pilot/index.html) and will be available to help more people over the next few years - as long as they have the proper funding.

(3) The tax software industry at large should embrace the coexistence of government and privately supported tax preparation portals. Government efforts such as the current pilots are long overdue and indisputably commendable, yet are unlikely to be sufficient for taxpayers with more complex returns, such as anyone with investment income. These taxpayers will always need - and greatly benefit from - the sophisticated software that private companies produce. The IRS and private-sector providers need each other and should be natural partners.

It is a shame that this urgent issue has devolved into a partisan political debate. Budget cuts would delay modernization efforts by many years, if not indefinitely. Let Congress debate about how to simplify the tax code and let the non-partisan staffers at the IRS get on with the onerous process of updating their technology.

Opinion by Bill Harris

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