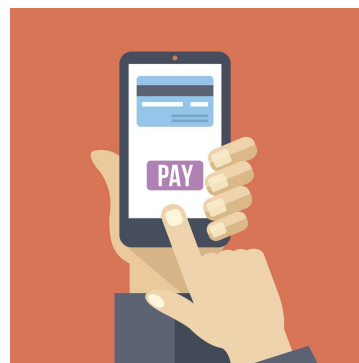


Federal Tax Payments & Refunds Must Go Paperless by 9/30/2025

If you currently rely on paper checks for refunds or IRS payments, you will need to transition to an electronic payment option.

- The US Treasury and IRS have announced that, beginning September 30, 2025, all **Federal** tax payments & refunds will transition to a paperless system under Executive Order 14247.
- Paper checks will no longer be accepted, and refunds will be issued electronically, with limited exceptions.
- This change is part of a broader government initiative to modernize and secure payment systems and it will affect all taxpayers, including trusts.



Frequently Asked Questions

1. What are individuals electronic payment options?

- IRS Direct Pay
- EFTPS (Electronic Federal Tax Payment System)
- Debit or Credit Card
- Digital Wallets (where available)
- Automatic withdrawal when filing electronically

IRS payment website: [Payments](#) | [Internal Revenue Service](#)

2. Does Garcia & Carlson recommend a particular method of electronic payment for individuals?

For taxpayers that make "safe" quarterly estimates without additional tax planning, we recommend setting up automatic withdrawal. This can be arranged through our tax software when filing your return.

If your payment amounts change or you prefer to have full control over scheduling, we recommend using IRS Direct Pay instead.

3. How will individuals receive refunds?

Refunds will now be issued electronically, typically through direct deposit to a U.S. bank or credit union account. If no account is on file, the IRS will issue refunds via prepaid debit card or digital wallet.

4. How will corporations make payment and receive refunds?

Corporations are required to use EFTPS or another approved electronic payment option. Refunds will be directly deposited into the corporation's U.S. bank account.

5. How will Trusts make payments and receive refunds?

Trust payment and refund rules can be more complex. A dedicated section below addresses these details.

6. Can I still pay by check if it is a state payment?

Yes. State tax payment can still be made by check.

7. What if I am a non-resident and don't have a U.S. bank account?

The IRS will continue to mail refunds to the address listed on the tax return if a U.S. banking option is unavailable. However, setting up a U.S. bank account or electronic payment method can help avoid delays.

8. How can I set up automatic withdrawal/ direct deposit?

To authorize automatic withdrawal or direct deposit, please provide Garcia & Carlson CPA with your U.S. bank account information through your client organizer or Tax Caddy. We will then set up the payment or refund option when filing your return.

Please note: This option is not available if your 2024 return has already been filed.

Action Required for Trust Accounts

Trusts that owe tax

If your trust typically makes a tax payment, be sure it can make electronic payments by either:

- Opening a trust checking account, or
- Enabling ACH (electronic transfer) on an existing account.

These steps are also necessary for receiving IRS refunds via direct deposit.

If ACH is not available (typical for brokerage accounts), the Trustee will need to enroll the trust in EFTPS (Electronic Federal Tax Payment System). While not the simplest option, this is the IRS's preferred method for electronic tax payments. A link to the website can be found here:

www.eftps.gov.

Plan ahead for EFTPS:

- To enroll, you will need the trust's Employer Identification Number (EIN).
- A PIN will be mailed to the trust's address on record about one week after enrolling.

If your trust does not usually owe tax, no action may be required.

If you would like more information, you can read about it here: **[IRS to phase out paper tax refund checks starting with individual taxpayers | Internal Revenue Service](#)**
