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Certified Public Accountants

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Here's the Tax Beat broadcast for October 1

Subject Line: Uncle Sam Wants to Venmo You

Remember when getting a tax refund meant waiting by the mailbox like a kid on Christmas morning? Except, instead of a shiny new bike, you got a government-issued check printed on shiny iridescent paper? You'd spot that official envelope, rip it open with the excitement of opening your card from Grandma (with a crisp \$20 bill inside), and admire the John Hancock of some Treasury bureaucrat who probably couldn't get a table at Applebee's without a reservation. Then you'd rush to the bank and stand in line behind a guy depositing coins in a jar. And of course, there was always the risk your ex would intercept it, or the family dog would decide it made the perfect chew toy. It was a ritual equal parts thrilling, frustrating, and absurdly outdated, like renting DVDs from Blockbuster or printing out MapQuest directions.

Well, as of October 1, that all ends. No more old-fashioned refunds in the mail. No more "check is in the mail" excuses. From here on out, it's direct deposit or some other form of electronic payment. Uncle Sam has gone digital, whether you're ready or not. And if you still balance your checkbook with a fountain pen and wear bifocals to read your Wall Street Journal, the IRS is basically telling you: "OK boomer."

Let's not pretend the IRS is doing this to make your life easier. If it were about convenience, they would have done it when AOL was still mailing out free CDs. This is about saving money and preventing fraud. Paper checks are expensive to print, easy to steal, and take forever to process. In a world where you can Venmo your dog walker before he's even closed the front door, the IRS is tired of being the guy still writing IOUs on paper.

Oh, and you can forget about *sending* checks to the IRS, too.

The real losers in this change are people without bank accounts. The IRS calls them "unbanked" or "underbanked." These are folks who cash their checks at corner stores, payday lenders, or wherever a neon Western Union sign still flickers. For them, a paper check isn't a nuisance. It's the only way to get their money. The IRS says they'll offer prepaid debit cards instead. That sounds helpful until you realize the card companies are salivating to pounce with fees for everything short of breathing. Withdraw cash? Pay up. Check your balance? Pay up. Buy a Slurpee at 7-Eleven? Pay up. By the time the poor unbanked schlub is done, his \$2,000 refund looks more like \$1,500.

For most people, though, this is a win. Electronic refunds are faster, safer, and harder for crooks to mess with. No more worrying that your refund check ended up in the wrong mailbox, or worse, someone with a friend working for the Post Office stole it. If you already use direct deposit for your paycheck or Social Security, this is just more of the same: money showing up in your account like magic.

In the end, this is another instance of the IRS finally joining the 21st century. Sure, it took them until 2025 to do what Starbucks has been doing since you bought your first latte with Apple Pay. But hey, progress is progress. The paper check had a good run. It paid for braces, down payments, and maybe a regrettable spring break trip or two. But now it's headed the way of floppy disks, dial-up internet, and tax advice from your brother-in-law.

If you're still waiting by the mailbox for your refund, it's time to let go. The IRS doesn't love you like that anymore. The good news is, *we* do – and we're here to help make those refunds bigger and payments smaller, no matter how you make the payments!

Kevin

