

How to Prepare for the IRS Ending Paper Tax Payments in 2025

Nate: So one of the kind of, I would say, key topics or developments that's happening in 2025 related to, partially to the election, but also just kind of the state of things with IRS, is the administration has been very clear that they're going to be discontinuing the processing of paper for many items already as of September 30, 2025 and they have plans to do it completely down the line in kind of a staggered pace. So something that I've found folks just aren't aware of, really, that this is happening. So I don't know if that's just an educational thing or, you know, not necessarily just getting busy with life and things that are happening and doing their tax payments and things the way they always have, but something that folks definitely need to be aware of is a change in the guard and a change in the way of doing things.

Andy: Yeah, Nate, this has really been an evolution. You know, I used to tell people, the one thing the IRS was really good at is depositing your money. You could send them a check that would go to the top of their priority list. Any other mail, sometimes, especially during COVID, it went into a semi-trailer, you know, to be open maybe someday. But it was an evolution. And, you know, I even told many clients, for a year or two now, when you make a significant payment, do it electronically, because it's very easy, it's fast, and you get an instant, you know, notification and a printout that you can keep. And I think what happened this last filing season, we had clients that, you know, sent an old fashioned payment in the mail in early April, and they were getting notices into May-June that they hadn't made their tax payment. And I don't know what the back story is, but, but this is huge, and you're right, it's not getting a lot of press, and I'm guessing there's a lot of checks still being sent in the mail today that I'm not sure what's going to happen with.

Nate: Yeah, it seems to be a key step in the process, or at least they've positioned it that way, to modernizing the IRS as a whole. And we know as practitioners, we've seen a huge change in the last, call it, five years of responsiveness, accuracy, responding to even simple things as responding to simple notices. Things just aren't at a very efficient state. And I think it's also a product of them realizing that, hey, we've got all these people devoted to processing this stuff, and we could put them to work elsewhere, doing other things. And so maybe this eliminates some of their staffing shortages that many industries are seeing too, but maybe helps them out a bit to try and try and reposition some of those folks, especially with, you know, decreases in budget, on providing better service and getting to better answers for taxpayers. And aside from notices and just general response and correspondence, right? This is going to impact checks they send out. This is going to impact payments for taxpayers for quarterly estimates. Now they've said they have clarified that they are not yet stopping accepting those paper checks, but they've said they will. And speculatively, I think I've heard

Madison, WI

1221 John Q Hammons Drive
Suite 100
Madison, WI 53717

Phone: (608) 831-8181
Fax: (608) 831-4243

Brookfield, WI

18650 W. Corporate Drive
Suite 200
Brookfield, WI 53045

Phone: (262) 641-6888
Fax: (262) 641-6880

Colorado Springs, CO

P.O. Box 62786
Colorado Springs, CO 80962
Phone: (719) 413-5551

Contact Us:

Email: info@SVAaccountants.com
Web: SVAaccountants.com

it mentioned something like January 2026, so this could potentially impact folks that have fourth quarter estimates to pay. The need to go on and do so electronically. And really, you know, like you said, we've been recommending it for years, and the process is really not all that difficult, right? It's a few steps, identify yourself, you know, verify your identity with some prior year data, make the payment, connect a bank account. They give you a few different options. Seems like one of those things that once people give it a try and have that initial setup, it for the most part, it tends to go pretty well.

Andy: Yeah, I completely agree. And bottom line for me is we've been encouraging it for years. Now it's reality. So make those payments online, and, quite frankly, do it at the state level too, because it's just as easy to do it for the state as it is to do it for the IRS.

Nate: Absolutely, absolutely. Those confirmations, immediate confirmations, are nice too, because then, you know, I think about the support we receive for folks each year, it's a lot easier to look at just a few confirmation pages than, you know, dropping off a checkbook trying to see, you know, read some handwriting on dates and amounts and everything else. Because, of course, at the state level, we have some visibility into that, but at the IRS level that that doesn't exist yet, but maybe, maybe as part of their modernization, that'll be something that that they roll out, we'll see. So really, the takeaway from the IRS discontinuing its paper processing is, as soon as you can, work on getting an online account set up with them, verifying your identity. You know, fourth quarter estimates aren't due here for a period of time, but it's just less to do when the time comes, and that would be the most actionable item to think about as you work through the rest of this tax year.

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