IRS Fact Sheet

Internal Revenue Service
Media Relations Office
Washington, D.C
Media Contact: 202.317.4000
Public Contact: 800.829.1040
www.irs.gov/newsroom

Questions and answers about Executive Order 14247: Modernizing Payments To and From America's Bank Account

FS-2026-02, Jan. 2026

This Fact Sheet provides answers to frequently asked questions about the implementation of Executive Order 14247, Modernizing Payments To and From America's Bank Account.

These FAQs are being issued to provide general information to taxpayers and tax professionals as expeditiously as possible. Accordingly, these FAQs may not address any particular taxpayer's specific facts and circumstances, and they may be updated or modified upon further review. Because these FAQs have not been published in the Internal Revenue Bulletin, they will not be relied on or used by the IRS to resolve a case. Similarly, if an FAQ turns out to be an inaccurate statement of the law as applied to a particular taxpayer's case, the law will control the taxpayer's tax liability. Nonetheless, a taxpayer who reasonably and in good faith relies on these FAQs will not be subject to a penalty that provides a reasonable cause standard for relief, including a negligence penalty or other accuracy-related penalty, to the extent that reliance results in an underpayment of tax. Any later updates or modifications to these FAQs will be dated to enable taxpayers to confirm the date on which any changes to the FAQs were made. Additionally, prior versions of these FAQs will be maintained on IRS.gov to ensure that taxpayers, who may have relied on a prior version, can locate that version if they later need to do so.

More information about reliance is available on IRS.gov. *These FAQs were announced in IR-2025-13.*

Executive Order 14247, Modernizing Payments To and From America's Bank Account

Background

In accordance with Executive Order 14247, Modernizing Payments To and From America's Bank Account, signed on March 25, 2025, the U.S. Department of the Treasury, in coordination with the Internal Revenue Service and other federal agencies, is advancing the transition to fully electronic federal payments both to and from the IRS.

The purposes of Executive Order 14247 are to defend against financial fraud and improper payments, increase efficiency, reduce costs, and enhance the security of federal transactions. Across government, paper instruments (e.g., checks and money orders) are far more likely than electronic payments to be lost, stolen, altered or delayed. Moving to direct deposit and other secure electronic options improves speed, accuracy and protection for the public and the government.

This policy shift covers:

- Disbursements *from* the federal government (e.g., tax refunds, benefits, grants vendor/contractor payments), and
- Payments *to* the federal government (e.g., tax balances due, fees, penalties, and other remittances from individuals, businesses, nonprofits, and state/local partners).

Consistent with the Executive Order, and to the extent permitted by law, the U.S. Treasury Department and the IRS:

- Started phasing out paper tax refund checks and other disbursements on Sept. 30, 2025.
- Will reduce reliance on inbound paper remittances, expanding and promoting secure electronic options (such as ACH/direct debit, online payment portals, electronic funds transfer-based business payment channels, and same-day wire where appropriate). Electronic payments can be posted faster, have lower processing costs, and reduce errors compared to mailed checks or money orders.

No changes are being made to the process of filing a tax return itself. Taxpayers will continue to file as usual. What is changing is how payments are delivered and received, aligning methods with the Executive Order's security and efficiency standards. The IRS will publish all guidance and information necessary for filing 2025 tax returns before opening the 2026 tax filing season.

Most taxpayers already receive their refunds electronically via direct deposit, and may already pay electronically. For those taxpayers without a bank account, the IRS, in coordination with the U.S. Treasury Department, Federal Deposit Insurance Corporation, National Credit Union Association, and U.S. Bank, is working to provide resources to help taxpayers open a free or low-cost account or assist with establishing alternative electronic payment methods, such as direct deposit to certain prepaid debit cards. Limited exceptions to electronic methods will be made for specific situations such as those involving hardships, and/or legal and procedural requirements.

- Topic A: Individual Refunds and Disbursements
- Topic B: Payments to the IRS
- Topic C: Businesses
- Topic D: International Taxpayers
- Topic E: Third-party Stakeholders

Topic A: Individual Refunds and Disbursements

Q1. What changes are being made to how refunds are delivered pursuant to Executive Order 14247 and what effect do the changes have on the process of filing a tax return? (added Jan. 27, 2026)

A1. Executive Order 14247 states that the Treasury must stop issuing paper checks effective Sept. 30, 2025, to the extent permitted by law. The federal government must continue to issue certified payments in some limited circumstances and will issue a limited number of paper checks in cases where no alternative is available. Otherwise, the IRS generally stopped issuing paper refund checks for individual taxpayers after Sept. 30, 2025.

No changes are being made to the process of filing a tax return itself based on Executive Order 14247 at this time. The IRS will publish all guidance and information necessary for filing 2025 tax returns before opening the 2026 tax filing season. Until further notice, taxpayers should continue to use existing filing options.

Q2. Will taxpayers without bank accounts still be able to receive refunds? (added Jan. 27, 2026)

A2. Yes. While direct deposit into a bank account will remain the primary method for issuing refunds, the Executive Order explicitly acknowledges that not all individuals have access to traditional banking services. Alternative electronic payment methods, including payments via certain mobile apps and prepaid debit cards, will be available to serve these individuals. Limited exceptions to the paper check phase-out will also be established.

Q3. What should taxpayers do now to prepare for this change? (added Jan. 27, 2026)

A3. Taxpayers should:

- Ensure their direct deposit information is up to date when filing their tax return.
- Consider opening a low- or no-cost bank or credit union account if they don't currently have one. Resources to open an account at a bank or credit union are available at FDIC: GetBanked and MyCreditUnion.gov.
- Monitor IRS.gov for updates on alternative electronic payment options and exception processes for those who cannot receive funds electronically.

Q4. Will the transition delay tax refunds? (added Jan. 27, 2026)

A4. In most cases, no. One of the goals of Executive Order 14247 is to reduce delays and ensure timely, accurate payments. Electronic delivery is faster and more secure than paper checks. In most cases, taxpayers will receive their refunds sooner by using electronic methods, eliminating the risk of their paper check being lost or stolen.

Q5. What will happen if taxpayers do not include direct deposit information on tax returns? (added Jan. 27, 2026)

A5. Providing electronic payment information is voluntary. If taxpayers do not provide this information and no exception applies, their refunds could take longer to process. Taxpayers should provide direct deposit information when filing a tax return. If banking information is missing when filing a tax return, the tax return will still be accepted and processed. However, when filing electronically, the taxpayer may receive an alert notifying them of the missing banking information and outlining the next steps if they are due a refund.

For all taxpayers with missing information, the IRS will send letters to individuals using their last-known address on record, asking them to update their banking information if they did not provide it on their tax return, or if their financial institution rejected the direct deposit.

The taxpayer will then receive a CP53E notice in the mail requesting a response within 30 days, either to provide banking information or to explain why such information cannot be provided. Additionally, the Where's My Refund? tool on IRS.gov will provide messaging related to the need for banking information. The taxpayer will be able to use the IRS Individual Online Account to provide this information. For security reasons, IRS employees cannot take direct deposit information over the phone or in person.

Once the taxpayer provides the direct deposit information or exception, the refund will be immediately released via direct deposit or paper check. If there is no response to the notice and there are no other issues with the tax return, the refund will be released as a paper check after six weeks.

Q6. Will the IRS contact taxpayers by phone or text to request banking information if a taxpayer did not provide it when they filed their tax return? (added Jan. 27, 2026)

A6. No, the IRS will only contact taxpayers by sending a letter through the U.S. mail for this purpose, using the taxpayer's last-known address.

Q7. Currently, the IRS issues paper refund checks to decedent accounts. Will this change? (added Jan. 27, 2026)

Internal Revenue Service
Media Relations Office
Washington, D.C.
Media Contact: 202.317.4000
Public Contact: 800.829.1040
www.irs.gov/newsroom

A7. The Executive Order aims to transition to electronic-based payments; however, no changes have been made to how refunds currently are issued to deceased persons. When changes are made, the IRS will provide additional guidance. In the meantime, the IRS will continue to accept or generate checks in accordance with current practice.

Topic B: Payments to the IRS

Q1. Does the Executive Order apply to payments made "to" the IRS? (added Jan. 27, 2026)

A1. Yes. The Executive Order requires federal agencies to modernize both outgoing and incoming payments. Incoming payments made to the IRS encompass all types of transactions, including payment of tax liabilities, enrolled agent fees, pre-filing agreements, and advanced pricing agreement fees. For now, checks and money orders will still be accepted. However, the IRS strongly encourages taxpayers to make payments using existing electronic options. Over time, the IRS will reduce reliance on paper checks and money orders for receiving payments, with limited exceptions made for specific situations such as those involving hardships, and/or legal and procedural requirements.

Q2. How much longer will taxpayers be able to pay the IRS by check or money order? (added Jan. 27, 2026)

A2. For now, mailed payments to the IRS, including cash, checks and money orders, will still be accepted and processed. However, over time, the IRS will fully transition to electronic methods. The IRS will accept checks when electronic payment methods are not available for a certain transaction type or in specific situations such as those involving hardships, and/or legal and procedural requirements.

Q3. What other payment options are available? (added Jan. 27, 2026)

A3. The IRS is expanding its digital payment system capabilities to make it easier for taxpayers to pay electronically. Currently, payment options available for taxpayers and third parties for many transaction types include debit/credit card or digital wallet, IRS Direct Pay (direct from a bank account with no fee), IRS Individual Online Account, IRS Business Tax Account, or Electronic Federal Tax Payment System (EFTPS). EFTPS payment options will be sunset for individual taxpayers in late 2026. Depending on the payment method, processing fees may apply.

Not all transaction types are eligible for digital payment options. Taxpayers should review the correspondence they received and visit the Payment options page on IRS.gov to determine which digital payment methods are available for their specific situation.

Q4. What does the sunset of EFTPS for individual taxpayers mean? (added Jan. 27, 2026)

A4. Effective Oct. 17, 2025, individuals are no longer able to create new enrollments via EFTPS.gov. Individual taxpayers not enrolled in EFTPS.gov by Oct. 17, 2025 can instead create an IRS Online Account for Individuals or use the IRS Direct Pay guest path. Taxpayers who are already enrolled in EFTPS.gov can continue to make payments using EFTPS.gov; however, they are encouraged to transition to the IRS Online Account for Individuals or IRS Direct Pay. All individuals will be required to transition from EFTPS.gov later in 2026.

For more information on paying via IRS Online Account or Direct Pay, visit IRS Online Account or IRS Direct Pay for Individuals.

Q5. Does the Vanilla Direct, a pay with cash option, "count" as an electronic payment? (added Jan. 27, 2026)

A5. Yes. If a taxpayer prefers to pay in cash, our service providers partner with Vanilla Direct to offer a cash payment option for certain transactions through participating retail stores. Certain limits and fees may apply.

Q6. Do taxpayers need special technology to make payments electronically? (added Jan. 27, 2026)

A6. Most options only require internet access and a bank account or debit/credit card. The IRS will provide resources and assistance for taxpayers who may need help accessing digital tools.

Q7. How can taxpayers be sure their payment was received? (added Jan. 27, 2026)

A7. Unlike checks sent via U.S. mail, electronic payments immediately generate a confirmation number and receipt or send confirmation emails that can be saved and/or printed for recordkeeping.

Q8. Are there limits on the number of times per year taxpayers can use certain electronic payment methods? (added Jan. 27, 2026)

A8. Yes. There are frequency limits on how often a taxpayer can use debit cards, credit cards or cash to make certain types of tax payments for specific forms and tax years. Use the Frequency limit table by type of tax payment to find out which kinds of payments taxpayers can make using these methods, and how often they can make them.

Q9. Can Federal Tax Deposits be made using cash or a credit card? (added Jan. 27, 2026)

A9. Businesses cannot use cash or card payments to make Federal Tax Deposits (FTD). Federal Tax Deposits must be deposited electronically via a taxpayer's business tax account, Direct Pay for businesses, or the Electronic Federal Tax Payment System (EFTPS). Federal Tax Deposits not made electronically may be subject to a penalty unless the taxpayer can establish reasonable cause for why they aren't able to pay electronically. See Failure to Deposit Penalty for more information.

Q10. Will taxpayers working directly with an IRS employee still be able to provide paper checks to their IRS representative? (added Jan. 27, 2026)

A10. Yes. IRS representatives will continue accepting paper checks for now, however, taxpayers are encouraged to consider digital payment options currently available first. Taxpayers can visit Payments on IRS.gov to help determine which digital payment methods are available for their specific situation. Over time, the IRS will roll out new technologies, including expanded digital payment options and mobile tools, to increase the opportunities for digital payment.

Topic C: Businesses

Q1. How does the phase-out of paper checks affect how businesses receive refunds (added Jan. 27, 2026)

A1. In the first year of implementation, after Sept. 30, 2025, the IRS will be adding the direct deposit option to most business tax return types. This will allow more businesses to receive refunds faster and more securely through electronic deposit. Over time, paper check refunds for businesses will be phased out. The IRS will accept checks when electronic payment methods are not available for a certain

transaction type or in specific situations such as those involving hardships and/or legal and procedural requirements.

Q2. How can businesses make payments to the IRS? (added Jan. 27, 2026)

A2. The IRS is expanding its digital payment system capabilities to make it easier for taxpayers to pay electronically. Currently, payment options for businesses include debit/credit card or digital wallet, IRS Direct Pay (directly from a bank account), IRS Business Tax Account and Electronic Federal Tax Payment System.

Q3. Will businesses that rely on bulk check payments, such as payroll deposit or trustee accounts, have alternatives? (added Jan. 27, 2026)

A3. Yes. The IRS will expand digital payment options, making it easier for businesses, trustees, and fiduciaries to handle bulk or large payments securely. Additional guidance will be issued as updated applications become available for use.

Topic D: International Taxpayers

Q1. How will international taxpayers without U.S. bank accounts receive funds? (added Jan. 27, 2026)

A1. International taxpayers should continue to use existing options to file returns, make payments and receive refunds. The IRS is developing secure alternatives, such as partnerships with international payment providers, to ensure timely access to refunds abroad.

Q2. How will international taxpayers make payments to the IRS? (added Jan. 27, 2026)

A2. Wire transfers remain available, and the IRS is working to expand existing services to new countries while exploring additional cross-border payment solutions to make international payments faster and more affordable for all taxpayers.

Topic E: Third-party Stakeholders

Q1. What does this mean for third-party stakeholders, such as trustees, payroll providers and other third parties? (added Jan. 27, 2026)

A1. Like other stakeholder groups, third parties who transact with the IRS on behalf of others will be expected to use electronic payment methods made available to them. As payment methods are expanded to include additional transaction options, third parties will need to ensure their systems are updated to support these modernized transactions. The IRS will provide updated guidance, technical resources, and outreach to help these stakeholders adapt as options are developed.

Q2. What options are available today for third parties seeking to make electronic batch payments to the IRS? (added Jan. 27, 2026)

A2. The EFTPS Batch Provider tool, available at www.eftps.gov, can be used by some third parties, including tax professionals, who wish to make multiple federal tax payments on behalf of their clients. The EFTPS Batch Provider tool can also be used by taxpayers who wish to make multiple federal tax payments for several businesses or other third parties, such as those making bulk federal tax payments on behalf of various taxpayers or businesses.

Q3. Will there be support for third-party stakeholders during this transition? (added Jan. 27, 2026)

A3. Yes. The IRS will engage directly with industry groups and provide training resources, webinars, and FAQs tailored to the specific needs of third parties.

Q4. Some trustees, including court-appointed trustees, do not have electronic systems to support specific payment methods. Will the IRS accept paper checks in these situations? (added Jan. 27, 2026)

A4. Yes. The IRS will accept checks when electronic payment methods are not available for a certain transaction type or in specific situations such as those involving hardships and/or legal and procedural requirements.

Q5. Can tax professionals make payments on behalf of clients and stay in compliance with Circular 230? (added Jan. 27, 2026)

A5. Yes. Tax practitioners can use electronic payment methods such as EFTPS or Electronic Funds Withdrawal (EFW). Additionally, tax practitioners may advise taxpayers to pay directly through alternative electronic payment methods, including Direct Pay with bank accounts or using credit cards, debit cards or digital wallets.

IRS--FAQ