

IRS Stopping paper check refunds & moving to requiring tax payments made electronically

Brenda K. Lowe CPA LLC
Wealth By Design

In March of 2025 President Trump signed an Executive Order to phase out paper checks to and from federal agencies including the IRS. The deadline was set for September 30, 2025, with some exceptions.

As often with changes to policy, we imagine some of this may take a bit longer to fully implement.

WHAT YOU NEED TO KNOW:

FEDERAL TAX REFUNDS:

After September 30, 2025, the IRS does not intend to issue paper checks. What this means is that you must provide banking information if you have a refund.

ACTION: Most individuals already have us electronically deposit refunds so this will not be a major change.
When we send out your tax organizer for your 2025 taxes, be sure to **verify** that your banking information is accurate.

FEDERAL TAX LIABILITIES AND ESTIMATES:

The executive order also applies to payments made to the IRS. They request that payments made to the IRS, such as tax liabilities and tax estimates, should be processed electronically as soon as practicable.

No guidance on this has currently been issued on this.

ACTION: If you have a tax liability, you can indicate that we have it directly withdrawn from the bank account you provide. *(Most of you already have this in place)*

If you have tax estimates, you can indicate having us set these up to be automatically withdrawn from the bank account you provide.

Or you can make the payments electronically yourself.

We will provide the details to do so with your 2025 returns. There are methods in place to do so but we will update when the forthcoming guidance comes out.

What if something changes, and you need to change the estimated tax amounts, this can be done but must be done in a reasonable time before the estimates scheduled (i.e. not the day of or day before!)

There are a few exceptions to the mandate:

- *Individuals who do not have access to bank services or electronic payment systems.*
- *Emergency payments when electronic methods are impractical.*
- *National security or law enforcement needs that require non-electronic payments.*

There is still discussion on how this will play out for trusts and estates so stay tuned for more information.

Please let us know if you have any further questions regarding the electronic payment change.

This article is intended for education purposes only and should not be relied upon as tax or legal advice.

4801 Highway 61 Suite 305 | White Bear Lake, MN 55110 | 612-419-9769

www.brendalowecpa.com