

Online tax filing up, internet security fears are down

by Bend_Weekly_News_Sources

NEW YORK - More consumers are filing their taxes online, and fewer are concerned about Internet security, The Conference Board and TNS report today.

This year, 39 percent of consumers intend to file their 2006 federal taxes online, up from 28 percent just three years ago. Online tax filing is a growing trend. Close to two-thirds of consumers report having filed online for three or more consecutive years, of which nearly half have been filing online for more than five years.

"Speed, convenience and choice are compelling an increasing number of consumers to toss their pencils and papers and file their federal taxes electronically," says Lynn Franco, Director of The Conference Board Consumer Research Center. "Whether using professional tax services or do-it-yourself software, electronic filing continues to grow year after year. And, by far, direct deposit is the preferred refund method. This year's ability to split refunds among up to three accounts is yet another choice that should broaden the appeal of electronic filing."

The Consumer Internet Barometer - produced by The Conference Board, the global business research and membership organization, and TNS, a global market insight and information group - surveys 10,000 households across the country and tracks who's doing what on the Internet.

Among consumers intending to file their federal taxes online, nearly 40 percent intend to use a professional tax service, with women more likely than men to seek assistance. Do-it-yourself tax software is more popular among male filers than female filers. The number of online filers using IRS e-file has declined since 2004, as the pool of eligible filers has likely shrunk due to increased complexity in returns and as more alternatives become available. Slightly more women than men (20 percent versus 19 percent) will use IRS E-file.

Consumers are less concerned about security when filing taxes online. Today only 43 percent of Internet users are "extremely" concerned about filing taxes online, down from 52 percent in 2004.

Last year, more than 70 percent of online tax filers chose to receive their refund by direct deposit while 18 percent requested a check. The ease and convenience of direct deposit clearly makes it the preferred choice of online tax filers.

Among those who do not file online, the leading reason cited is that the consumer does not do his/her own taxes (34 percent). Coming in second (23 percent) are concerns about personal information on the Internet.

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