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[Should We E-File Our Taxes Or Not?](#)

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One of the most basic and rather vexing questions confronting taxpayers - especially the affluent - might be the choice between e-filing or filing paper returns. The IRS has slowly but steadily promoted e-filing and it seems e-filing will soon supplant to a very large extent paper filing. Nonetheless, some taxpayers might balk at e-filing. Let us explore, to some extent, the pros and cons of e-filing and paper filing.

ADVANTAGES OF E-FILING

1. Ease and Less Prone to Error

The most obvious advantage of e-filing is the ease with which returns are filed mostly free on IRS website and spares taxpayer going to the post office. In addition, e-filing makes it possible to catch errors before it is too late such as incorrect birth dates, social security numbers and even names. Such hypersensitivity would certainly foreclose problems down the road.

2. Fast Notification of Return Acceptance and Easy Payment

In addition, within a day or so, e-file taxpayers would be notified of acceptance of their return and would not have to wait a relatively long period for such notification or even entertain the loss of their returns. Moreover, any taxes owed could be easily withdrawn from your bank or sent via check.

3. Fast Refunds

The sweetest part of e-filing is to receive tax refunds in your bank account directly and relatively faster. Depositing tax refunds directly into bank account is relatively safer, too.



DISADVANTAGES OF E-FILING

1. E-Filing Not Possible or Probably Not Advisable

Sometimes, e-filing is not possible or advisable - for example - for taxpayers taking adoption credits, or first-time home buyer credits, among others. In addition, if a power of attorney is required, e-filing might not be the most prudent approach.

2. Internet Security Concerns

It is a cogent argument for taxpayers with lots of information fearful of security breach to paper file. In addition, some taxpayers might not like the idea of entrusting their information to vendors.

3. Audit Concerns

Although there seems to be no direct correlation between e-filing and being audited, a 2009 report from Congress's Joint Tax Committee linked e-filing to higher chances of being audited, stating cost cutting would enable IRS to "make use of its computer infrastructure to target returns with audit potential."

Hence, a lot of factors should be considered before deciding whether to e-file or not.

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