

IRS to Phase Out Paper Checks in Favor of Electronic Payments

Beginning **September 30, 2025**, the IRS will no longer accept paper checks for [tax](#) payments or issue refunds by mail. Instead, all payments and refunds will be processed electronically. This move is intended to modernize the tax system, reduce fraud, and improve efficiency for both taxpayers and the government.

Why the Change is Happening

The federal government has identified significant costs and risks with continuing to process paper checks. In 2024 alone, paper-based payment systems cost taxpayers an estimated **\$657 million**. Paper checks are also far more vulnerable to fraud, theft, or loss compared to electronic methods. By requiring electronic payments, the IRS expects to provide faster, safer, and more reliable service to taxpayers.

What Taxpayers Can Expect

Starting September 30, 2025:

- **Refunds will be issued electronically.** Refunds will be sent via direct deposit, prepaid debit cards, or digital wallet services.
- **Mailed checks will no longer be accepted.** Payments for taxes, extensions, or estimates must be made electronically.
- **Benefit checks will also be impacted.** Individuals currently receiving government benefits by paper check will need to transition to an electronic method.

Limited Exceptions

There will be limited exceptions to this rule. Certain individuals without access to banking services, those facing emergencies or hardships, or cases involving national security and law enforcement may still be eligible to use paper-based options. These exceptions will be granted at the discretion of the Treasury Department.

Steps You Can Take Now

To prepare for the transition, taxpayers should:

1. **Set up direct deposit** for refunds and benefit payments.
2. **Select a secure electronic payment method** such as IRS Direct Pay, the Electronic Federal Tax Payment System (EFTPS), or a debit/credit card option.

3. **For individuals without bank accounts**, consider Treasury-approved options such as the Direct Express® card, or explore opening an account through FDIC's GetBanked program.
4. **Monitor electronic payments regularly** through your IRS Online Account.
5. **Stay alert for scams.** Use only official IRS and Treasury resources when providing payment information.

What This Means for You

The shift to electronic payments reflects a long-term effort to improve the reliability and security of the tax system. While it may require some preparation now, the change is designed to reduce risks, save money, and create a smoother experience for taxpayers.

Oregon Department of Revenue

Electronic payments can be made at Revenue Online,
https://revenueonline.dor.oregon.gov/tap/_/#1

If you have questions about setting up direct deposit, or choosing the right payment method, contact Dale Marino at 503-239-4716.