



## H.R. 6956, *BARCODE Efficiency Act*

### Background:

- In 1986, IRS began an electronic filing (e-filing) pilot program. In 1990, the program was expanded nationwide, now totaled 155 million returns in 2025.
- Despite the increase of e-filed return, **millions of taxpayers continue to file returns on paper every year.**
  - **Approximately, 10.5 million paper returns were filed during 2025.**
- The Taxpayer Advocate Service (TAS) July 2025 report stated that even though the IRS had a successful 2025 filing season, **“processing delays continued to impact paper returns...and correspondence.”**
  - TAS went on to say that the **“IRS needs to focus on modernizing processing and handling of paper submissions.”**
  - Manual data entry contributes to IRS processing backlogs.
- Treasury is authorized to prescribe regulations setting the standards for which returns must be filed on machine readable forms, however, Treasury “may not require returns of any tax imposed...on individuals, estates, and trusts, to be other than on paper forms supplied by the Secretary.”

### H.R. 6956, *BARCODE Efficiency Act*:

- **Requires IRS implement technology that allows them to scan and digitize returns prepared electronically but printed and filed on paper.**
  - This will increase IRS efficiency with paper returns by speeding up the process and eliminating manual entry.
- **Requires IRS to transcribe handwritten returns and paper correspondence using scanning technology.**
  - This provision will allow IRS to use **scanning technology** to upload tax return data from various returns that would typically be manually input into the IRS system, increasing efficiency and data accuracy.

### Endorsed by:

- National Taxpayer Union (NTU)
- U.S. Chamber of Commerce
- Americans for Tax Reform (ATR)
- American Coalition for Taxpayer Rights (ACTR)