



2550 Garcia Avenue
Mountain View, CA 94043

650-944-3840
intuit.com

CONFIDENTIAL

January 16, 2024

VIA ELECTRONIC MAIL

The Honorable Elizabeth Warren
United States Senate
309 Hart Senate Office Building
Washington, DC 20510

The Honorable Richard Blumenthal
United States Senate
706 Hart Senate Office Building
Washington, DC 20510

The Honorable Bernard Sanders
United States Senate
332 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Katie Porter
United States House of Representatives
1233 Longworth House Office Building
Washington, DC 20515

Re: January 2, 2024 Letter to Intuit

Dear Senators Warren, Blumenthal, Sanders, and Representative Porter,

I write in response to your letter dated January 2, 2024 regarding Intuit's utilization of research and development credits in the tax code. As referenced in your letter, and the accompanying citations, our research and development expenses are well documented in our SEC filings. We comply with the U.S. Tax Code, as drafted by Congress, and will continue to do so. As a global fintech platform supporting 100 million customers including approximately 10 million small businesses through Quickbooks, Credit Karma, Mailchimp, and TurboTax, Intuit invests in R&D to improve our products and services aimed at powering prosperity around the world.

Intuit is proud to be the nation's free tax preparation leader for more than a decade. In that same time, we have delivered more entirely free tax filings than all other tax preparation software companies combined. Specifically, over the past 10 years Americans have filed 124 million tax returns free of charge using Intuit TurboTax. We are proud of the products we provide, and the valuable services that we offer to taxpayers. Moreover, as shown by product reviews and mentioned in prior written correspondence, consumers derive substantial value from using the Intuit TurboTax suite of products. Furthermore, we provide valuable services to consumers and small businesses across the country through our full suite of product offerings.

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Direct File is not free tax preparation; billions of taxpayer dollars will be used unnecessarily to pay for something already completely free to both the taxpayer and the government. Recently, the Treasury Inspector General for Tax Administration¹ called out the IRS for inadequate and unsubstantiated cost estimates related to Direct File. The Electronic Tax Administration Advisory Committee, a committee established by Congress to provide public input, also recommended making improvements in the communication, marketing, and accessibility of existing free tax filing programs prior to investing in the development and implementation of a Direct File platform.² Today, all Americans can file their taxes for free thanks to a wide range of public and private sector options. A government-run tax preparation system is a solution in search of a problem.

For decades, consumer research³ has shown that most Americans don't want the tax collector and enforcer to also serve as the tax preparer. The IRS already has a core mission that it must focus on and is inadequately resourced. Creating a new system for something already free today would unnecessarily cost billions of taxpayer dollars and jeopardize the financial freedom of millions of Americans.

Sincerely,

A handwritten signature in black ink that reads "Kerry McLean". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Kerry McLean
Executive Vice President, General Counsel
Intuit Inc.

¹ <https://www.tigta.gov/sites/default/files/reports/2023-10/2024408002fr.pdf>

² <https://www.irs.gov/pub/irs-pdf/p3415.pdf>

³ <https://www.mitre.org/sites/default/files/2023-05/PR-23-1221-MITRE-Taxpayer-Filing-Preference-Surveys.pdf>