

Ways to electronically pay your tax bill

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Photo by Pixabay

The Internal Revenue Service says that most taxpayers get refunds. Good for them.

But those of us who end up owing Uncle Sam after we run our Form 1040 numbers have to come up with a way to pay.

The easiest way, both for taxpayers and the tax collector, is electronic.

Here's a quick review of six e-payment options available this 2025 tax filing, and paying, season.

1. Credit or Debit Card or Digital Wallet: Paying by plastic is one of the oldest and most popular tax e-pay methods, so Uncle Sam happily accepts our credit or debit cards. As more of us have come to rely on mobile devices, the IRS also has added digital wallet payments.

The payments are made through IRS-authorized processors. And like all plastic transactions, there's a **service charge**. With taxes, however, we taxpayers cover this cost instead of the retailer, or in this case, the IRS.

This filing season, the IRS has approved the two companies shown in the table below.

Link2Gov Corporation pay1040.com 888-PAY-1040TM (888-729-1040) Fees range from 1.75% of amount paid or \$2.15 minimum, depending on the payment type.	ACI Payments, Inc. fed.acipayonline.com 888-UPAY-TAXTM (888-872-9829) Fees range from 1.85% of amount paid or \$2.10 minimum, depending on the payment type.
Details on the various processing fees for each company, as well as a comparison chart can, can be found at the IRS.gov credit/debit/digital wallet payment webpage .	

For debit or credit card payments, Link2Gov accepts Visa, Mastercard, Discover, American Express, STAR, Pulse, NYCE, Accel, AFFN, Cirrus, Interlink, Jeanie, Shazam, and Maestro. Click to Pay and PayPal are accepted for digital wallet payments.

ACI accepts debit or credit card payments via Visa, Mastercard, Discover, American Express, STAR, Pulse, and NYCE. Digital wallet payments via ACI can be made using PayPal, Click to Pay, or Venmo.

IRS2Go, the IRS' mobile app also gives you access to credit and debit card payment options, as well as to Direct Pay, discussed a bit later in this post.

If you have a big tax bill, the credit card fees can add up. And then there's interest. If you don't pay off your monthly card balance in full or as quickly as you can, that amount can become as big a burden as your tax liability.

However, on the plus side, using a credit card to pay your taxes is easy. It also can literally pay off if you earn points or other rewards for all your charges.

Finally, taxpayers who in prior years paid their tax bills using a credit or debit card probably have noticed that a former option is gone. The IRS no longer uses PayUSAtax to accept payments on behalf of the IRS. If you need assistance with payments made through

PayUSAtax before Jan. 1, 2025, please contact the company directly at support@payusatax.com.

2. Electronic Funds Withdrawal (EFW): With **EFW**, you file your return and pay electronically from your selected bank account when e-file your return. As the name indicates, your tax payment is taken directly from your selected account. There's no IRS fee to use EFW, but your bank might charge, so check before using it. Also, again note that the EFW option is available only when you electronically file a tax return, either yourself using software or when your tax preparer e-files for you.

3. Direct Pay: This e-pay way is similar to EFW, but you push the payment out to the IRS rather than having it pulled from your account. You decide which account, for example, checking or savings, you want to use. **Direct Pay** also is free (as long as your bank doesn't charge anything), doesn't require any preregistration, and payments can be scheduled up to 365 days (yep, a year for all y'all very long-planning taxpayers) in advance.

When you send your due taxes via Direct Pay, you'll get immediate confirmation. However, if you do set up a payment for months ahead, I suggest you set a personal reminder so you'll get an alert before the money is moved. That way you can make sure you have enough cash in the account. Bank insufficient funds fees are almost as bad as tax penalties.

4. IRS taxpayer account online payment: The IRS has been urging all us taxpayers to create taxpayer online accounts, from which we can complete a variety of tasks. One of them is making tax payments once we sign into our **online accounts**. In addition to the annual tax-filing payments, you can pay **estimated taxes** from your online account. You also can review your payment history, check on scheduled or pending payments, and even set up a payment plan if you can't pay your tax bill in one lump sum.

5. Electronic Federal Tax Payment System (EFTPS): This is an electronic payment system that's been for decades. I know, because I've been using it for decades. Most taxpayers now will opt for the quicker e-payment methods discussed above, but since I established an **EFTPS** (pronounced eff-tips if you're ever at tax nerd gathering and want to name drop) account long ago, I keep using it.

You must have a financial account to use EFTPS. And while the time to set up an EFTPS has been streamlined, you still need to do so before you want to pay. To sign in, you'll have to enter your taxpayer identification number (your nine-digit Employer Identification Number, or EIN, if you're a business owner, or Social Security number for individual filers), a Personal Identification Number (PIN), and an Internet Password. The enrollment process walks you through this.

After your EFTPS account is established, you can use it to make a variety of business and personal tax payments, such as the **estimated tax** amounts I after I finish filing (and paying) our taxes each April. As noted in the Direct Pay section, if you do use EFTPS to schedule payments up to a year out, put a reminder in our electronic and paper calendars to

doublecheck you have the funds in your account when the payment dates arrive. But just in case you don't, EFTPS will send you an email a few days in advance, too.

You can find more on EFTPS in [IRS Publication 996](#), the getting-started guide; [IRS Publication 4990](#), with details on making payments; or at the IRS.gov [EFTPS overview page](#).

6. Cash: The IRS offers two cash options. One, paid directly to an IRS facility, does accept paper dollars handed over at an IRS Taxpayer Assistance Center (TAC). The other cash method also involves actual currency, but really is a hybrid e-payment option that uses the services of a [participating retail partner](#) and an online payment processor.

If you want to take the **TAC route**, you need to make sure the one near you accepts cash payments. Not all do. Start by calling the IRS toll-free at (844) 545-5640. The line is open Monday through Friday, 7 a.m. to 7 p.m. local time (Hawaii and Alaska follow Pacific time zone). An IRS rep will help you find a time and location that works for you.

Also note that you need to schedule your appointment 30 to 60 days in advance of the day you want to pay. The IRS can only schedule TAC appointments within 60 days of your call. You can find more on paying your tax bill in cash at a TAC at this [IRS.gov webpage](#).

You might find it easier to look for a **retailer** that will accept your tax cash payment. This [interactive map](#) can help. This filing season that includes Dollar General, Family Dollar, CVS Pharmacy, Walgreens, Pilot Travel Centers, 7-Eleven, Speedway, Kum & Go, Royal Farms, Go Mart, Rite Aid, Stripes LLC, TAA Operating LLC, Walmart, The Kroger Co, Circle K, and Kwik Trip stores.

But wait a sec. It's not as simple as heading to the convenience store down the block with your wad of cash for a tax payment.

First you must go through a verification process that starts by going to ACI Payment or Link2Gov websites (yes, the same ones noted in this post's very first e-payment option) and following the instructions to make a cash payment using VanillaDirect. This involves several emails and IRS validation before you get a payment code you use at the store accepting the tax cash payment.

Because of the process, start early enough to ensure your tax payment is posted in a timely manner. You don't want to go through all these steps and still end up making a late payment.

There also are payment limits, notably up to \$500 per payment, although there are no daily limits on payments. Both processors charge a \$1.50 fee for each cash payment.

OK, you're ready to e-pay now, right? Or maybe not.

That's fine. Take your time to look into which of these electronic payment options best suits your financial and tax situation. You still have time before the April 15 tax payment deadline to choose.