

PROACTIVE PLANNING FOR MANDATORY ELECTRONIC IRS PAYMENTS: WHAT YOU NEED TO KNOW



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With the March 25, 2025, signing of Executive Order 14247 – [Modernizing Payments to and From America's Bank Account](#) – the federal government is initiating a sweeping modernization of its financial operations. Effective September 30, 2025, all payments from the IRS must be processed electronically, marking a significant shift toward greater efficiency, enhanced security, and alignment with contemporary financial standards.

January 2026 Update: The IRS has issued [additional guidance](#) clarifying that checks are still being accepted for payments to the IRS at this time. Current enforcement efforts are focused primarily on the direct deposit of refunds. Taxpayers should be aware that this remains an evolving area, and further guidance is expected as implementation continues.

This transformation empowers the U.S. Department of the Treasury to overhaul the government's payment infrastructure, aiming to reduce costs, minimize fraud, and eliminate operational inefficiencies associated with paper-based

transactions.

Accepted Electronic Payment Methods

Taxpayers now have access to a range of secure electronic payment options, including:

- Direct Pay from bank accounts
- Electronic Federal Tax Payment System (EFTPS)
- Electronic funds withdrawal during e-filing
- Debit or credit card payments via authorized processors
- Digital wallets
- IRS Online Account for managing payments and viewing balances

Payment Options for Individuals

For individual taxpayers, there are a few practical ways to make federal tax payments electronically:

- **IRS Online Account:** We recommend creating an [IRS Online Account](#) at IRS.gov. This account allows you to view balances, make and schedule payments, review payment history, and manage other IRS communications. Identity verification is completed through ID.me. Payments can be scheduled in advance and canceled prior to the scheduled date, providing flexibility and confirmation of timely payment.
- **IRS Direct Pay:** As an alternative, you may make a one-time payment directly from a checking or savings account using [IRS Direct Pay](#). This option does not require creating an IRS Online Account. Identity verification is completed using information from a previously filed tax return.
- **ACH Debit Through Tax Software:** For certain filings, ACH debit payments can be submitted directly with the filed return. This method works well for balance-due payments. However, ACH debit payments are not easily changed once submitted, so this option requires careful consideration – particularly for estimated tax payments.

Payment Options for Trusts

Trustees have specific electronic payment options available for making federal tax payments on behalf of a trust:

- **Electronic Federal Tax Payment System (EFTPS):** EFTPS is the IRS's primary system for trust tax payments. It allows trustees to schedule payments in advance, view payment history, and make payments directly from the trust's bank account. Trusts must enroll as a "Business" in the EFTPS system. To enroll, trustees will need the trust's EIN, trust name and address, trustee contact information, and U.S. bank details. Enrollment is completed at www.eftps.gov. Note that new enrollments require a PIN mailed by the IRS, which typically takes 5 to 7 business days, so trustees should plan accordingly.
- **ACH Debit Through Tax Software:** Similar to individuals, ACH debit payments can be submitted with certain trust filings. This method is best suited for balance-due payments. We do not recommend relying on ACH debit for estimated tax payments, as these payments are not easily modified once submitted. Trustees should also monitor their accounts to confirm that the appropriate amounts are debited in a timely manner.

Before enrolling in or initiating any electronic tax payments, trustees should confirm with their financial advisor or financial institution that the trust's bank accounts support ACH debits and electronic tax payments, as some accounts may require additional authorizations or setup.

Exceptions and Waivers

While the shift to electronic payments is comprehensive, exceptions will be granted for individuals who:

- Lack access to traditional banking services.
- Do not have access to digital payment technologies.

The Department of the Treasury will publish revised guidance detailing the waiver process for eligible cases. This ensures that underserved and vulnerable

populations maintain uninterrupted access to federal payments. As of now, the Treasury has issued a Request for Information (RFI) to gather public input on implementation strategies, but formal guidance is still pending.

Preparing for the Transition

While the Executive Order requires all payments from the IRS to be made electronically starting September 30, 2025, implementation continues to evolve as the Treasury Department releases additional guidance. Taxpayers should continue to take proactive steps to ensure compliance with the new requirements:

- Establish an IRS Online Account
- Verify banking details for direct payments
- Familiarize themselves with EFTPS and other digital payment platforms
- Trustees enrolling in EFTPS for the first time should do so promptly, as PIN delivery typically takes 5 to 7 business days

We recommend that taxpayers [set up an online IRS account](#) for secure payment management and access to tax information.

State Payments Remain Unchanged

It is important to note that Executive Order 14247 applies only to federal payments. State-level payments are not impacted by this order and will continue to follow existing procedures.

Next Steps

Don't wait to begin your transition. [Contact your BMF advisor](#) today to discuss your specific situation. We're here to help you navigate this change efficiently and effectively.

For the latest updates and guidance, visit irs.gov or contact BMF at bmf.cpa.