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Tax preparers react to conclusion of 2023 tax season

Trends include uptick in trust and estate returns, confusion about electric vehicle tax credits and increase in digital tax forms from millennials

APPLETON, Wis. (April 20, 2023) – For most Americans, individual tax returns were due to the IRS by April 18, 2023, which marked the official end of tax season. An extension to file could be requested, but experts at the National Association of Tax Professionals (NATP) remind taxpayers that an extension to file is not also an extension to pay; any tax due needed to be paid by April 18, 2023.

While preparers noted an unusually quiet tax season compared to recent prior years, there were several notable trends worth highlighting.

One topic NATP researchers answered multiple questions on was the new electric vehicle tax credits included in the Inflation Reduction Act, signed by President Biden in August 2022. Under this act, taxpayers can claim tax credits for the purchase of qualifying electric vehicles, but there are quite a few stipulations in place.

Many taxpayers had a misunderstanding of the credit's specifics, and some even argued with their preparers that their purchases qualified, according to NATP's director of tax content and government relations, Tom O'Saben.

"We got quite a few calls asking for us to explain and confirm specifics of the electric vehicle credits because preparers were being told by their clients over and over that their purchase qualified," O'Saben said. "We walked the preparers through how to explain to their client their purchase, unfortunately, doesn't qualify, and what to do next."

Another trend worth mentioning is an increase in trust and estate returns being filed this year. With the U.S. population aging, and an increase in the amount of assets passing to the next generation, this trend is expected to continue, and O'Saben recommends tax pros educate themselves on how to prepare these types of returns if they want to add to their client list and revenue streams.

O'Saben also said early on he noticed an uptick in nonfiling taxpayers looking to get into compliance by filing previous years' returns. He attributes this to the abundance of news stories mentioning the IRS's increased budget to collect past-due tax bills.

Taxpayers also, on average, noticed lower refund amounts than prior years. While this might have caused disappointment, there were many COVID-era credits and deductions that expired this year that created significant refund amounts – especially for parents of dependents under 17 years old.



Lastly, O'Saben said he noticed a generational change – the lack of hard paper copies of tax documents among millennials and Gen Z.

“I had quite a few younger taxpayers – millennials and Gen Z – come in without any printed copies of tax forms,” said O'Saben. “Initially I thought, oh, this should be a quick meeting. But it turns out, they had everything saved electronically on their on their phone. This works fine, as long as the taxpayer can text or upload via secure portal a copy of the forms for the preparer to document. It's going to be a shift that preparers will need to account for as they continue to work with younger and more tech-savvy taxpayers.”

To speak with someone further about the 2023 tax season or other tax topics, please contact [Samantha Strong](#) or [Nancy Kasten](#)

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About NATP: The National Association of Tax Professionals (NATP) is the largest association dedicated to equipping tax professionals with the resources, connections and education they need to provide the highest level of service to their clients. 23,000 members rely on NATP to deliver professional connections, content expertise and advocacy that provides them with the support they need to best serve their clients. The NATP headquarters is in Appleton, Wis. To learn more, visit www.natptax.com.

Looking for a tax expert? Tom O'Saben, EA, director of tax content and government relations at the National Association of Tax Professionals (NATP), is available for phone or video interviews to discuss federal tax topics including tax law change and its implications, taxpayer issues, tax preparer regulation and more. To schedule an interview with O'Saben, contact sstrong@natptax.com or nkasten@natptax.com.