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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

May 2, 2024

Sasan Goodarzi
Chief Executive Officer
Intuit
2700 Coast Avenue
Mountain View, CA 94043

Dear Mr. Goodarzi –

As the senior senator from Oregon and the chair of the U.S. Senate Committee on Finance, which has jurisdiction over the nation’s tax laws, I write with concerns following a report that an error made by TurboTax software caused a yet-unknown number of Oregonians to overpay state tax.¹ The Oregon Department of Revenue reportedly identified the problem, which opted taxpayers into claiming the standard deduction when itemizing would have resulted in a larger refund. The state notified Intuit of the problem in early April, but the company did not acknowledge it until a few days before the filing deadline.

TurboTax encourages customers to “File with confidence knowing your tax return is backed by America’s #1 tax preparation provider.” Its “Maximum Refund Guarantee” states that “[i]f you get a larger refund or smaller tax due from another tax preparation method, we’ll refund the applicable TurboTax federal and/or state purchase price paid.” Intuit has a history of deceptive advertising, but I expect it to make good on this guarantee.²

Fixing this error will require identifying all affected Oregonians, notifying them, and ensuring they can be made whole. In part because of TurboTax’s various guarantees and market share, Oregonians who overpaid due to TurboTax’s error likely assumed the software opted them into

¹ Mike Rogoway, *The Oregonian/OregonLive*, *TurboTax error shrinks refunds for some Oregon income tax filers*, Apr. 29, 2024, <https://www.oregonlive.com/business/2024/04/turbotax-error-shrinks-refunds-for-some-oregon-income-tax-filers.html>

² Federal Trade Commission, *FTC Issues Opinion Finding that TurboTax Maker Intuit Inc. Engaged in Deceptive Practices*, Jan. 22, 2024, <https://www.ftc.gov/news-events/news/press-releases/2024/01/ftc-issues-opinion-finding-turbotax-maker-intuit-inc-engaged-deceptive-practices>

claiming state standard deduction to minimize their taxes. That assumption was wrong. And because the vast majority of taxpayers understandably dread filing season and avoid thinking about taxes after it ends, many of those affected will not learn on their own that they overpaid. Intuit must act to inform them and help them get the full tax refunds they are entitled to receive.

This incident also belies the statement on Intuit's website, which says that "a government-run tax filing solution will not offer any improvement over filing options currently available to and used by taxpayers..." TurboTax's error clearly leaves room for improvement.

To help the Senate Finance Committee understand the extent of this problem and address it, please answer the following questions about this incident by May 15, 2024.

1. When and how did Intuit first learn of the problem, what steps did it take to investigate, and what steps did it take to mitigate the problem after it was confirmed?
2. How does Intuit test TurboTax to identify and eliminate errors in its software that would cause taxpayers to over or underpay?
3. How did this quality control process fail in this case involving Oregon's state return?
4. How will Intuit prevent this or other similar problems from reoccurring?
5. How many Oregon customers were or may have been affected in this case?
6. Has Intuit investigated whether its software made a similar error in other states?
7. What steps will Intuit take to inform affected customers that they overpaid state tax due to a TurboTax error?
8. Will Intuit help affected taxpayers file amended returns? How so, and at what cost?
9. If Oregonians discover they overpaid due to the TurboTax error, what steps will Intuit require they take to obtain a refund for the cost of filing a state return?
10. Will Intuit proactively send refunds of the TurboTax purchase price to customers who were affected?

I look forward to your timely response.

Sincerely,



Ron Wyden

Chair

U.S. Senate Finance Committee