

Digital Shift Accelerates Mobile Tax Payments 27 Percent in 2022, According to New ACI Worldwide Data

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- Overall preference for checks continues to decline during tax season
- Ghost tax preparer scams doubled in 2022 compared to previous year, affecting Gen Z and Millennials most

MIAMI--(BUSINESS WIRE)--Mar. 15, 2022-- New tax payments data from [ACI Worldwide](#) (NASDAQ: ACIW), the global leader in mission-critical, [real-time payments software](#), shows usage of mobile for paying taxes increased 27 percent from 2021 to 2022. In addition, an ACI-commissioned YouGov study shows that check preference continued to decline—from 21 percent in 2021 to 18 percent in 2022. The largest reduction in check preference came from Gen Z (13% in 2021 to 5% in 2022), followed by Millennials (11% in 2021 to 8% in 2022) and Gen X (22% in 2021 to 18% in 2022).

“We continue to see interest in alternative payments when it comes to paying taxes,” said Sanjay Gupta, head of biller segment, ACI Worldwide. “Digital and alternative methods of payment are more secure than paper-based payments, and taxpayers are seeking more digital options to pay their taxes. ACI works with government organizations to offer [multiple digital payment methods](#)—including PayPal, Venmo, direct ACH debit, credit and debit cards—increasing taxpayer satisfaction and reducing processing costs.”

While the ACI-commissioned YouGov study showed that twice as many Gen Z taxpayers are using a tax professional to file their taxes in 2022 (31%) than in 2021 (14%), reports of [ghost preparer](#) scams have doubled since 2021 (2% in 2021 to 4% in 2022), affecting Gen Z and Millennials the most—with 11 percent and 7 percent, respectively, reporting that they have experienced this type of scam. In addition, 33 percent of taxpayers have experienced tax scams (including phone or email scams, illegal or ghost preparer scams and identity theft). Moreover, awareness of tax scams (whether phone or email scams, illegal or ghost preparer scams and identity theft) is lower among Millennials (79%) and Gen Z (83%) compared to Gen X (87%) and Baby Boomers (86%).

“Lower awareness around tax fraud can make taxpayers more susceptible to scams,” Gupta continued. “The IRS provides [helpful tips](#) on how to choose a tax preparer to safely file and other tips on [staying vigilant](#) during tax season.”

In 2021, according to ACI tax payments data, many taxpayers opted to use their debit cards as the preferred method for paying taxes closer to the tax deadline. This was true in a majority of states, including Florida (63% compared to 33% who used credit cards), Alabama (57% compared to 43% who used credit cards), South Carolina (73% compared to 26% who used credit cards) and Illinois (54% compared to 44% who used credit cards). However, in the last three years, taxpayers in some states showed a preference for credit cards over debit cards closer to the tax deadline, including Washington (57% in 2021, 57% in 2020, 60% in 2019) and Wisconsin (56% in 2021, 56% in 2020, 60% in 2019).

Other key findings and trends include:

YOUGOV DATA

Digital and Alternative Payments

- 3 percent of taxpayers are likely to use an alternative payment method (PayPal, Venmo, Apple Pay, Google Pay, etc.), including 6 percent of Gen Z and 5 percent of Millennials

Check Usage

- The largest reduction in check preference comes from Gen Z (13% in 2021 to 5% in 2022), followed by Millennials (11% in 2021 and 8% in 2022) and Gen X (22% in 2021 to 18% in 2022)
- More taxpayers in the Northeast (22%) prefer to mail a check compared to the West (13%), South (19%) and Midwest (20%)

Tax Scams

- At 12 percent, reports of identity theft are higher in the Northeast compared to the national average of 9 percent;
 - Gen X is consistently most affected by identity theft compared to other generations
 - Gen Z – 8 percent
 - Millennial – 8 percent
 - Gen X - 12 percent
 - Baby Boomer – 8 percent

ACI TAX PAYMENTS TRENDS DATA*

Growth in tax payment methods

- The dollar value of card transactions (debit and credit) is up 21 percent in 2022 compared to 2021
 - Credit card transactions are up 13 percent

- Debit card transactions are up 8 percent
- The use of mobile payments increased from 2021 to 2022
 - Volume of transactions up 27 percent
 - Dollar value of transactions up 40 percent

Tax payment method, by state (sample*)

- In Washington, residents prefer to pay taxes with their credit card in the month of the tax deadline:
 - 2019 (April): 60 percent credit card vs. 37 percent debit card
 - 2020 (July): 57 percent credit card vs. 42 percent debit card (extended deadline)
 - 2021 (May): 57 percent credit card vs. 41 percent debit card (extended deadline)
- In Washington DC, residents prefer to pay taxes using their debit card in the month of the tax deadline:
 - 2019 (April): 43 percent credit card vs. 47 percent debit card
 - 2020 (July): 38 percent credit card vs. 51 percent debit card (extended deadline)
 - 2021 (May): 41 percent credit card vs. 56 percent debit card (extended deadline)
- In Pennsylvania, more individuals pay taxes using ACH in the month of the tax deadline:
 - 2019 (April): 36 percent ACH vs. 34 percent credit card and 30 percent debit card
 - 2020 (July): 36 percent ACH vs. 29 percent credit card and 35 percent debit card (extended deadline)
 - In 2021 (May): 41 percent ACH vs. 27 percent credit card and 31 percent debit card (extended deadline)

*Additional data available upon request

For more than 20 years, ACI has been supporting the billing and [payment needs of federal, state and local government entities](#) with secure, PCI-compliant solutions. ACI Payments, Inc. (formerly Official Payments) is an ACI Worldwide company.

Methodology

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 1,160 adults. Fieldwork was undertaken between February 9-10, 2022. The survey was carried out online. The figures have been weighted and are representative of all U.S. adults (aged 18+). Generations were defined as follows: Gen Z (born after 2000, 69 total), Millennial (born 1982-1999, 368 total), Gen X (born 1965-1981, 326 total), and Baby Boomer (born 1946-1964, 361 total).

About ACI Worldwide

[ACI Worldwide](#) is a global leader in mission-critical, [real-time payments software](#). Our proven, secure and scalable software solutions enable leading corporations, fintechs and financial disruptors to process and manage [digital payments](#), power [omni-commerce payments](#), present and process [bill payments](#), and manage [fraud and risk](#). We combine our global footprint with a local presence to drive the [real-time digital transformation](#) of payments and commerce.

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