

Direct Deposit Changes for 2026 Could Affect How and When You Get Your Refund

Pressed for time? Listen to a summary of this Tax Tip →



You may have seen that the IRS is moving away from paper checks. If you usually receive a tax refund by paper check, you might also be experiencing some confusion about how you will receive your refund this filing season.

If you claim a refund on your 2025 tax return, new rules may affect how the IRS issues the refund if you don't provide direct deposit information or if your direct deposit is rejected. These changes are part of the IRS effort to modernize payments to and from America's bank accounts.

Here's what you need to know to avoid delays and understand your options.

New Rules for Refunds Starting in 2026

Beginning in 2026, the IRS will make changes to how refunds are handled when direct deposit information is missing or invalid:

- **Returns filed without direct deposit information**
 - The IRS will still process individual income tax returns (Form 1040 series) filed **without bank account information**.
 - However, the IRS will **temporarily freeze the refund** until the taxpayer provides direct deposit information or requests a paper check.
- **Rejected direct deposits**
 - The IRS will freeze most direct deposits that are rejected by the bank and will not automatically reissue them as paper checks.
 - Some reject codes are excluded, but most rejected direct deposits will require taxpayer action.

What Happens If Your Refund is Frozen

If your refund is frozen, the IRS will send you a CP53E notice, which explains what you need to do next.

- The notice asks you to **add or update direct deposit information** using your [IRS Online Account](#).
- You generally have **30 days** to respond.
- If you don't take any action, the IRS will **issue a paper check** after **six weeks**.

Important: The CP53E notice is only issued **once**. If a second direct deposit is rejected, you will not get another opportunity to update your bank information.

How to Update Your Direct Deposit Information

Taxpayers can use their [IRS Online Account](#) to take action:

- Enter new or corrected bank information for direct deposit. Steps: Profile>Banking>Information>Add Bank Account.
- If the IRS successfully verifies the new information, the IRS will issue the refund by direct deposit.
- Taxpayers who **do not have direct deposit information**, or **meet waiver criteria**, can request a **paper check waiver** through their online account.

Help by Phone

The CP53E notice includes a toll-free **information-only phone line: 866-325-4066**.

- This line provides recorded explanations of the notice and next steps.
- It does **not** transfer callers to a customer service representative or let you enter deposit information – it is for informational purposes only.

If you do not have a bank account, meet waiver criteria, and you do not have access to an Online Account, you will need to call the main IRS phone number **(800-829-1040)** and request a waiver with the Customer Service Representative.

Note: IRS Customer Service **cannot** add or change banking information.

Avoid Delays to Your Refund

To help ensure timely delivery of your refund in 2026:

- Double-check your **bank routing and account numbers** before filing.
- Use **direct deposit** whenever possible.
- Set up or access your [IRS Online Account](#) so you can respond quickly if action is needed.

For general information about these changes, visit [IRS.gov/modernpayments](#).

Additional Resources:

- [As the IRS Phases Out Paper Checks, Vulnerable Taxpayers Must Not Be Left Behind](#)
- [Tips on Electronic Payment Options Available to Taxpayers as the IRS Phases Out Paper Checks](#)
- [Modernizing payments to and from America's bank account](#)
- [Understanding your CP53E notice](#)
- [FAQs: Modernizing Payments To and From America's Bank Account](#)

View Your Notice Online:

View your federal tax records and manage your communication preferences online

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