

Corporate Tax Software Reviews

All rely on the internet in some form or fashion.



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Each year, tax preparation programs migrate to sleeker, more intuitive versions of their former selves. This year is no exception. The competition among tax software is fierce, and marketing efforts focus more and more on time-saving features, enhanced productivity and quick updates available over the Internet.

A few years ago, a seasoned tax professional with 25 years in the business told me, categorically, that the Internet would “never be used too much” for tax preparation. His thesis: practitioners were too concerned about security and were too set in their ways to learn complicated new programs; it simply took too much time away from billable hours. No doubt many people believed the same thing, but were proven wrong when banking, business-to-business sales and other industries exploded because of online capabilities.

In fact, one of the most salient facts about this year’s group of reviewed software is this: They all rely on the Internet in some form or fashion. Interestingly, that reliance is likely being driven by customer demand for convenience and quick updates.

For example, all products in this review emphasize e-filing, an evolution from prior years. The IRS has even moved to this way of thinking by requiring some filers with a certain level of assets to file electronically. Surprised? However, given today’s enhanced security, improved firewalls and IT sophistication, the sheer volume of work is accomplished more quickly and easily by everyone.


These products offer initial installation via disk (CD or DVD), Internet only or some combination thereof. Some do offer updates by disk, but this reviewer predicts that option will disappear soon. Users simply don’t have time to wait for a disk to appear at their offices and provide personnel time to download it—sometimes on multiple machines—when a simple click provides it instantaneously. Some Internet updates are seamless and appear without the user even having to get involved. And, if a user needs to know, most of these programs offer an alert to those changes.

Hats are off to these vendors for quickly integrating Hurricane Katrina tax relief information. Very quickly, the IRS acted to offer significant tax breaks for those affected by the devastation along the Texas Gulf Coast. Likewise, tax software firms quickly integrated the changes to their programs.

Tax software firms are growing more savvy in their add-ons as well, from bank products; mortgage tie-ins; and identification of clients with a potential for enhanced revenue through college planning, IRAs, retirement and more. As the market becomes more competitive and practitioners become used to these revenue producers, users will increasingly seek software that will aid in these efforts.

In the annual update area, the reviewed products all show a dedication to continuous product improvement. The K-1—that oh-so-troublesome animal for practitioners—received quite a bit of attention this year from software engineers. The result is that these programs do an even better job of integrating K-1s and enhancing how they integrate with the rest of the tax forms.

The by-word in software selection is “choice.” Never before have software purchasers had such a plethora of selection from vendors anxiously vying for their business. The options run the gamut from pay-as-you-go to pre-purchasing complicated software for unlimited use. The buyer absolutely must look at several programs, targeted to his or her size of practice, before making a decision. Much depends on the type of clients served, their size and complexity, and how many the practice plans to serve within a given period of time.

No matter which program you select, you can count on excellent customer support, expanded customer service hours during tax season and a strong willingness to listen to customer needs. That particular development, while not as revolutionary as the Internet has been to tax software, provides a solid base from which all other developments grow. 

—By Alysia McDonald



Program Connects to State Tax Links

By Alysia McDonald

The beauty of Taxsoftware.com is its sheer simplicity—a breath of fresh air in a complicated field. Specifically targeted to small businesses and accounting firms, the program resides 100 percent on the Internet for anytime access from any computer. There are no passwords, no installation CDs and no need to ask for updates. Taxsoftware.com stores all returns directly on your computer, and for a different computer, you can simply store returns to a disk. Because the program is written in Java, there are no compatibility issues; it supports Microsoft Windows, Macintosh and other systems.

Features

Go directly to the company website “taxsoftware.com” and select “Click Here To Do Your Tax Return.” The screen opens to a deceptively plain menu of buttons labeled “New, Delete, Copy, Edit, Efile, Print All, Pay and Exit.” To start a new return, the preparer enters basic taxpayer information and selects the desired tax form, which opens immediately.

The program moves you logically through the return. All required questions are listed in order, and hot buttons to the right of every item take you directly to the appropriate statement or schedule. Entries automatically flow through to all areas of the return with no need to worry about complicated calculations.

Convenient help buttons appear on each page that open specific IRS instructions or extensive industry information. The Help On button gives complete information about the page you are viewing at that moment.

The Review button provides a particularly helpful list of all items completed so far in the return. The list is hot-linked, so clicking the schedule or statement name takes you directly to that page. “Review” also serves as a quick visual checklist to ensure you have completed all required schedules or statements for a particular return. Taxsoftware.com provides an Error button with a list of potential errors on the return. From there, you can go directly to the problem and correct it. This program



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connects to state tax links and also can give you an immediate status of refunds for clients. Complicated calculations appear automatically in the correct spaces throughout the return.

Efiling proved to be an easy task. The preparer selects the return to be filed from the home menu, hits the Efile button, and then simply clicks on “Confirm” to transmit the data to Taxsoftware.com, which in turn forwards it to the IRS. If

there were errors on the form, there are no additional charges to correct and resend.

Returns are priced individually, with a 50 percent discount for paid preparers who file five or more business tax returns in a year. Additional “early-bird” savings accrue to those who file before February 26. The price is the same for print or efile. Taxsoftware.com offers bulk prices as well: 100 business returns for \$625, with no expiration date, or up to 2,000 1040 returns for \$199, to be used within one year. The price includes printing, federal and state efile, and bank products.

Summary

No doubt Taxsoftware.com has spent considerable time listening to professionals and developing a product that is fast, easy and user-friendly. The result is quick, seamless tax preparation with very simple visuals that walk you through the process step-by-step. For example, this reviewer’s sample business return with schedules was completed in less than 30 minutes. Much of the complicated computations occur within the program itself, so preparers are freed from tedious and time-consuming work. The program offers appropriate help, but it also presumes a good working knowledge of tax law and current code. 

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