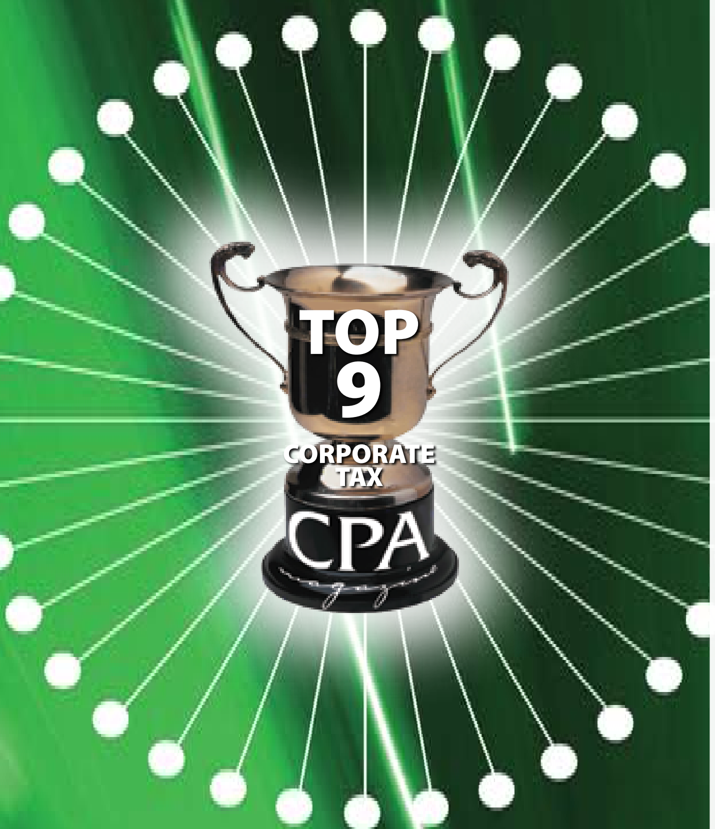
Corporate Tax Software Reviews

All rely on the internet in some form or fashion.



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 efiling, 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.

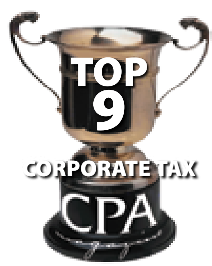
No matter which program you select, you can count on excellent customer support, expanded customer service hours during tax season and a strong willingness to listen to customer needs. That particular development, while not as revolutionary as the Internet has been to tax software, provides a solid base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

—By Alysia McDonald

The Preparer Can Override the Distribution for Each K-1 as Necessary

By Alysia McDonald

Drake Software 2005 supplies a thorough tutorial on its CD that helps the user quickly get up and running. This program is very icon-driven, so a few minutes learning the layout is time well spent. Know that once you understand the system configuration, it becomes a breeze to operate.



The preparer information automatically flows through every form in the program, from tax returns to letters and invoices.

Features

First, Drake is actually a suite of interactive products that includes tax preparation along with the Drake Tax Planner, Client Write-Up (an accounting and payroll program), Drake Document Manager (paperless office) and the Client Status Manager. Tax Planner allows for multiple scenarios within a year or over multiple years. Write-Up allows small business owners to process monthly accounting, payroll and financial statements, both live and post event. The Status Manager tracks every return in the software, including those deleted and on paper. The included Drake Document Manager stores all client documents, copies of all client letters, W-2s and tax returns.

Drake SOFTWARE The Professional Tax Solution

The software takes about one minute to install. It arrives with a handy quick start sheet and a full manual. During set-up, it is imperative to enter all your preparer information, from company name, EIN, specific preparer names, phone numbers and other pertinent details. Once entered, they automatically flow through every form in the program, from tax returns to letters and invoices.

At set-up, you can update information, import existing data or customize client input. The View mode shows you everything about a specific client, using file folder icons stacked almost like a file cabinet. You can view the return, schedules, all letters relating to the account, messages about the client, invoices and more with a simple double-click on the file folder icon.

All federal and state forms are included, along with electronic filing capabilities. Drake automatically sends all eligible states with the 1040. While working, you don't have to exit federal forms to view state information. Simply enter the 2-letter state or city code to display state information.

When working on any data entry field, hitting the F1 key takes you directly to Help for that field. As another helpful feature, automatic tips appear when you roll the cursor over a button or feature in the software. This is an extremely easy program in which to find quick and accurate assistance.

Drake handles K-1s well, incorporating all 2005 IRS changes. The 1065 and 1120Ss can be exported into individual returns for easy integration. Items from Schedule K are automatically prorated among partners based on ownership percentage. If partnership interests were transferred during the tax year, the preparer simply enters the appropriate sharing percentage. The preparer can override the distribution for each K-1 as necessary.

This software helpfully integrates the federal mileage rate changes after Hurricane Katrina. In addition, Drake developed a special publication that addresses Katrina relief and other federal tax law changes. Drake added the IRS forms relating to efiling for Katrina, along with all other new electronic filing forms.

Updates to the software are handled online. They are quick and easy because the system automatically compares the resident software and checks for updates. However, please note that for network users, everyone must be signed out of the software for the update to install.

Drake has done a good job with its navigation, giving users a variety of options: use the mouse, the keyboard, toolbar, or a combination thereof. For example, when using the mouse during data entry, a right click opens a menu of common functions. You can also right-click in a specific data-entry field to cut, copy, paste, view help, or even add a worksheet. On the toolbar, speed buttons under the menu bar give you shortcut keys for quick navigation. For example, a calculator icon means "calculate." "View" is a notebook-page icon that allows you to view returns, while a calendar icon takes you to the Scheduler.

Summary

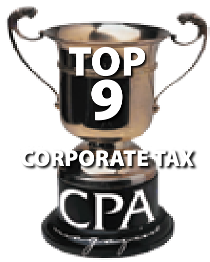
This is a thorough program that has spent considerable time creating flexibility to accommodate widely diverse user preferences and needs.

Drake Software
www.drakesoftware.com
800-890-9500

All-Internet Remote Server System Integrates with Tax Research

By Alysia McDonald

GoSystem Tax RS (Remote Server)—the web-based version of GoSystem Tax—is a cutting-edge program completely focused on enhancing productivity. This extremely powerful system, designed for medium- to high-end practitioners, provides superlative flexibility and very logical options that save time and eliminate needless tasks.



You can access all information from a single location including all returns and multiple years.

Features

Remote server capabilities bring a wealth of benefits: remote data storage is automatically backed up by the Thomson Data Center; 24-hour access is available from any computer; instant software updates come with no cumbersome CDs to handle; and users are safe and sound with professional security and multiple protections. In addition, you can access all information from a single location including all returns and multiple years.

THOMSON GOSYSTEM™

If you are working in GoSystem Tax RS and the computer goes down, the program automatically saves and closes the work so you do not lose data. GoSystem Tax RS provides everything required for any type of return, integrating tax, tax research and RIA's Tax Alerts, a user-defined update service for tax law changes. The system fully supports efiling, including partnership returns, and newly mandated large corporate and 990 returns.

Given the sheer volume of material available within the program, this system pre-supposes a familiarity with complex tax preparation. The menus offer extensive options and multiple views of information to make navigation easy. It easily handles single companies, but shines in the consolidation of complex returns. For example, GoSystem Tax RS can treat assets, liabilities, income, deductions and credits of qualified subchapter S subsidiaries just like those of the parent S corp.

In my sample returns, I quickly updated my clients from 2004, checked their data and smoothly progressed to the 2005 information. The program led me through the steps, working with views of the real tax forms. The screen is easy on the eyes, with a menu down the left column and the work area on the right two-thirds of the screen. When you click on a field, the program takes you directly to the input area; simply key in the data and the system does the calculations for you, automatically filling in information in appropriate fields.

An icon menu across the top offers quick access to the program features, such as review tax return, history, access organizer, auto compute and forms list. Two types of Help icons appear—one for clicked buttons, menus and windows and the other for topics, with extensive information by form, state or other criteria.

State allocation and apportionment is vastly simplified; GoSystem Tax RS allocates non-business income and state income (property, payroll, sales) for all 50 states, saving preparers untold hours of valuable time. It also automatically allocates and apportions federal data to state returns. The partnership module is powerful as well, automating data flow-through among federal, state and local forms.

A key benefit of this entire program is the elimination of duplicate data entry. For example, you can import accounting system data, roll over prior year data such as fixed assets, or import from any general ledger or spreadsheet.

The GoSystem Tax RS audit feature creates trial balance information, another significant time-saver. Trial balances allow a quick self-diagnosis within various reports, such as general ledger, sales, cost of goods sold or balance sheet. In my example, I was able to quickly detect the error of an expensed capital item and correct it.

Taking errors a step further, "Diagnostics" alert you if a return is out of balance or if information is at odds. In my example, GoSystem Tax RS detected that a line in Schedule M-1 did not agree with a line in Schedule M-3—something that would take significant time to detect otherwise.

Summary

This program offers excellent practice management tools, including client letters, invoice creation, scheduling, alerts and much, much more. If you are preparing complicated, multi-state or interrelated returns, you should definitely look at this product. It significantly enhances productivity through a multitude of well-crafted, interrelated features.

GoSystem Tax RS
www.gosystem.thomson.com
800-865-5257

Analysis Feature Offers Alternative Tax Solutions

By Alysia McDonald

Diagnostics feature includes a handy alert if there is something that does not meet efile requirements, saving you time before you attempt to efile.

Lacerte Tax for 2005 is a workhorse of a program offering comprehensive levels of detail, help and analysis. Installation takes a few minutes using a regular CD-ROM plus a Preparer Information Disk that serves as your authorization. All information also can be downloaded online for quicker access to the program. Once installed, a simple computer restart activates the program. This software may be used in stand-alone or network mode, with either unlimited use or pay per use.

Features

Immediately upon opening, a pop-up menu asks if you will be efiling, and a set-up wizard with a short tutorial guides you through the process. If you have never efiled, the program tells you how to register as a filer. The software also comes equipped with a printed "Getting Started Guide," which proves helpful in quickly learning key features because it takes a minute to get your bearings due to the sheer detail of the program. However, Lacerte Tax is very intuitive, and soon you can navigate with ease because the program offers a wealth of help along with a very logical, interconnected set of screens, forms and menus.

Entering client data is easy within the program, and Lacerte offers free client conversion from other programs within 10 days of receipt of your information. The tools menu can create an email to your client to request missing data, a useful feature in the middle of a busy tax season. That same tools menu can insert "electronic sticky notes" to remind the preparer of required actions.

The Analysis feature is a useful and clever piece of software. When you are working on a form, the analysis feature will alert the preparer to alternatives that could save tax. In my individual tax example, a Retirement Contribution appeared for both husband and wife, stating that in '05, $4,000 could have been contributed to a traditional IRA and/or a Roth with a tax savings of $1,120. Another note suggested the same for 2006. "More info" calculated that these taxpayers were within the allowable income limits, and that $49,200 more would be needed to take them to the next tax bracket.

The Help Me button in the upper right opens a blue menu across the bottom third of the screen. Merely type a question and the program directs you to the appropriate information.

I particularly liked the Diagnostics in this program, which points out errors on the return and ranks them by "fatal, critical or informational." Click on the error note and you go directly to the place that needs attention, eliminating the search through multiple forms. This feature also includes a handy alert if there is something that does not meet efile requirements, saving you time before you attempt to efile.

If you are managing a number of clients and preparers, this program creates an invoice schedule across the entire company for consistent processing. Tax Practice Reports cover the whole firm, including preparer workload, totals, percentages and averages. To save time, your preparers also can process extensions in batches, without having to access each client file. The Client Tracker allows you to view all client returns, and where they are in your firm, to monitor progress.

K-1 information, typically a time-consuming issue, is transferred easily from a partnership or S-corporation to individual returns.

Another very useful feature is the Split Detail/Forms View, which allows you to see a form and the supporting detail screen side-by-side; this eliminates clicking back and forth between full screen views.

Summary

Lacerte has given good attention to its customer phone support. The Getting Started Guide gives you extension numbers by type of question, so you don't have to listen to endless voice prompts. The company also offers extended customer service hours, particularly during critical tax deadline times. Lacerte has done a great job of integrating diverse tax information into a convenient program.

Lacerte Tax
www.lacertesoftware.com
800-765-7777

Compliance Assistance to efile Forms 1120 and 1120s

By Alysia McDonald

The new Client Analyzer allows preparers to enhance marketing and tax planning to their clients for enhanced billing.

Intuit's ProSeries Professional (Release 3.0) is a refreshingly "intuitive" program with diverse features and functionality designed to enhance tax preparation. The quick CD-ROM installation allowed this reviewer to be up and running in about five minutes.

Features

The Setup Wizard helped me pre-select a number of features, and then it configured my computer—no guesswork. Feature examples include efiling, bank options, printer selection, the ability to receive automatic update emails from ProSeries and more. A handy hard-copy Quick Reference User Guide accompanied the software, speeding the learning curve on the program.

Users may select stand-alone or multiple-computer modules. Preparers can purchase each form in the program for unlimited use or pay-per-return; forms are priced separately. ProSeries also provides free client data conversions within 10 days of submission.

The program readily handled all corporate tax scenarios attempted by this reviewer. It automatically performed all calculations, including depreciation, and allowed a print preview of all items for the client. It is very easy to navigate among the many forms, different states and various schedules. Client files are easy to find because they are sorted by client name, not client file name—a key difference.

This year, ProSeries added some important features to its arsenal of options. Preparers save time and reduce errors because K-1 information (1120S, 1065 and 1041 pass-through entity returns) can be imported into the 1040.

The new Client Analyzer allows preparers to enhance marketing and tax planning to their clients for enhanced billing. For example, you can target clients with dependents for college financial planning or identify clients who may be impacted by a change in tax law. The program even can help alert you to send different organizers to certain clients (Schedule C and E), as well as identify retroactive tax law changes to find client returns that may need amending.

The electronic filing module is a snap and eliminates many questions in the efile process. A simple click on the EF button even opens a video that explains exactly how to use the electronic filing feature. Within 24 to 48 hours of electronic submission, the system automatically checks for acknowledgement from the IRS or state taxing authority. If a return is rejected, the program shows you why and how to fix the error.

You can maintain one efile for 1040, 1120 and 1120S clients. The program offers important compliance assistance for some preparers with the new IRS requirement to efile Forms 1120 and 1120S for corporations with total assets of $50 million or more.

Another convenient module is the new ProSeries DMS (Document Management System, priced separately). Instead of copying W2s or 1099s, simply scan them and they become part of your electronic file for reference, clients or banks, and other uses. This saves considerable time and resources, and gives you complete information access to client records in one spot.

Practitioners are increasingly interested in bank products software, and ProSeries offers some good options in this area as part of its overall package. Specifically, a client is eligible if s(he) is due a federal refund and you are filing the return electronically. For example, these clients may qualify to receive a loan based on their expected federal refund; you can deduct your fees from the client refund and have them deposited electronically into a bank account. Qualifying ProSeries' customers also are eligible for a cash rebate based on participation levels in the program; at the end of the 2005 tax season, simply submit a Rebate Request Form.

ProSeries provides three different help features: Field/Form Help when you are working on a particular form, Hot Topics linked to top support topics, and Search Help for answers to a question using a key word or phrase. As expected, the company provides extended customer service hours, including Saturdays throughout tax season.

Summary

ProSeries offers strong features leading to solid client deliverables. Intuit has shifted to more aggressive pricing for ProSeries this year: unlimited 1040 federal and all states are $999, unlimited 1040 individual and state efile is free for early renewals and QBAE is offered at a 50 percent discount for new unlimited PS 1040/Powertax/Powertax lite customers.

Intuit
www.proseries.com
800-934-1040

A Powerhouse Program with Extreme Flexibility

By Alysia McDonald

ProSystem *fx* Office from CCH is a comprehensive suite of tax products and services that may be purchased and installed to meet your practice needs—from those with a small office and loyal customers, to those with a highly complex set of interrelated, multi-state clients requiring highly specialized management.

The joy of ProSystem *fx* is its pure comprehensiveness and attention to virtually every management tool known in tax software.

Features

Because the options are so diverse, installation takes some time—the user configures an array of choices (definitely worth it, but not a point-and-click install). Preparers must decide which products to purchase, which forms and states they will use, and whether they will efile.

A quick note to the unwary: The installation format in the package this reviewer received was a DVD—not a CD. Presumably a purchaser would indicate the format needed for his or her computer, but purchasers should look at the installation disk carefully and place it in the appropriate DVD or CD player on their computer; otherwise, it appears blank. If users have a combined drive, then there is no problem.

The installation window defaults to an Internet install path; instead, you must select the second button to install directly on your computer from the DVD. The DVD comes with all state and federal forms. Select all states or only those you need. Once downloaded, information is updated over the Internet for ease and convenience.

Two quick start guides came with the software. Take a few minutes to move through the helpful sample returns to be up and running quickly.

The joy of ProSystem *fx* is its pure comprehensiveness and attention to virtually every management tool known in tax software, all of which can be purchased if needed. It's extremely powerful, from the ability to import/export client information, assets and depreciation, to the Fixed Asset module, integration with Trial Balances, and sharing details with the Practice module.

Trial Balance is particularly useful, simplifying your reviews, compilations and audits. This module links directly to the Tax module, again eliminating data re-entry. The logical interfaces save preparers valuable time and increase productivity. See the website for the full complement of tools; they are extensive.

ProSystem *fx* has improved how K-1s are handled. Specifically, K-1 income and deduction overrides can be exported and imported via Microsoft Excel for S corporation and partnership returns. A new wizard allows you to choose which data to import/export. Data can now be transferred among various business returns: fiduciary to individual, corporation, S corporation, partnership and fiduciary; partnership to individual, corporation, S corporation, partnership and fiduciary; and, S corporation to individual and fiduciary.

ProSystem *fx* handles efiling with ease. To help meet the new IRS rule requiring electronic filing for certain entities with certain asset levels, the program now allows consolidated corporation returns to be electronically filed.

Like many programs, ProSystem *fx* offers interactive diagnostics under the Review button. A thorough list of concerns allows the preparer to go directly to the form in question.

Working within the Tax module was intuitive and easy. The screen was easy to understand; menu icons were understandable; and, federal, state or input forms were a click away.

At any point, you can click on "Calc" from the top menu for a quick calculation or recalculation of new input. You can easily jump among various schedules and statements, where appropriate information has flowed from form to form.

The left menu provides some useful options, in addition to merely viewing forms one can select. For example, an icon on the bottom bar lets you see a list of all forms being worked on for a particular return. That same menu takes you to the worksheets, federal and state forms or work group.

Help topics are easily viewed by Contents, Index or Search. Help also details new features for 2005, the sheer volume of which tells you that the company takes customer input seriously.

Summary

This is a powerhouse of a program with extreme flexibility for almost any practitioner, but especially useful for complex, interrelated returns by an experienced practitioner.

CCH, a Wolters Kluwer business
www.prosystemfx.com
800-PFX-9998

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.

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.

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 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 efiling. 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 efiling, and bank products.

Summary

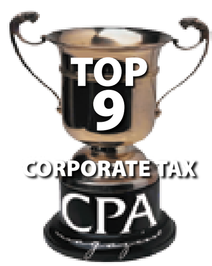
No doubt Taxsoftware.com has spent considerable time listening to professionals and developing a product that is fast, easy and user-friendly. The result is quick, seamless tax preparation with very simple visuals that walk you through the process step-by-step. For example, this reviewer's sample business 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.

Internet Programming & Consulting, Inc.
www.taxsoftware.com
301-320-7080

Thorough Tax Program is Customizable to Any Size Firm

By Alysia McDonald

TaxWise 2005 provides a diverse range of individual and business tax preparation options, including complete efiling capabilities. The product provides direct, no-nonsense, but thorough capabilities for both federal and state returns.



TaxWise offers free conversions from a number of other software packages, you do not lose returns or data from prior years

Features

The software arrived beautifully packaged with the current 2005 User Manual. It is well worth your time to take a few minutes and work through the guide that literally walks you, step-by-step, through the product. The instructions are clear, concise and very thorough.

A handy Function Key keyboard template comes as part of the package, providing excellent short-cuts to virtually all parts of the program. It is tempting to overlook this template; however, this reviewer found it sped the process along and gave excellent visual cues to navigation. As an example, the F6 key allows you to view two forms at once. F5 pops up a calculator and F8 allows you to override a particular function.

TaxWise
Solutions for the Tax & Accounting Professional™

Because TaxWise offers free conversions from a number of other software packages, you do not lose returns or data from prior years, and you may carry forward information from prior years within TaxWise as well. In fact, each time you request a new return, the program alerts you to existing prior year information on that client, then gives you the option to carry over.

Using a split screen set-up, the left vertical menu lists the names of various forms you have selected, while the right two-thirds of the screen is the work area. All tax forms are facsimiles of the IRS form, making it simple to follow the information fields.

A helpful Diagnostics feature identifies problems within the returns or schedules. For example, I forgot to enter the business code, a simple error, but one that would cause the IRS to reject the return. Another alert showed that the balance sheet was out of balance and that the total percent on the K-1 did not add to 100 percent.

TaxWise clearly had users in mind with the addition of a couple of fun, friendly concepts. First, a little blue box on the upper left keeps a running total of AGI and refund—updated instantly as I entered new information. During set-up, users get to select the color of screen forms, including classic, soothing and custom, among others.

Practitioners frequently have to deal with the old question of which is better—married filing jointly vs. married filing separately. This year's version offers an improved analysis of various scenarios on this topic. As another improvement, the K-1 imports from business returns directly into 1040s. The fixed assets and depreciation components are also enhanced.

It is always interesting to see how state information is integrated with federal. This package does a good job. You may purchase a state, or multiple states, and then download in a batch or as you need them. To add a state to the federal return, simply enter the state codes on the main information for resident, part-year or non-resident. The information flows through to all forms.

TaxWise offers some very market-forward ideas to help practitioners enhance revenue. They are prominently included in the software package and on the website. For example, the FeeCollect service allows practitioners to deduct their fees directly from client refunds. The Mortgage Service helps professionals expand financial offerings through web-based mortgage origination for clients. The Refund IRA allows taxpayers to set up either a traditional or Roth IRA by deducting the original contribution directly from a refund. TaxWise even offers a web-based system for CPE credits, so professionals can get continuing education right from their home or office.

Summary

The program is bundled in a diverse array of options, depending on each preparer's needs in his or her practice. The product is competitively priced, with full details available on the product's web page.

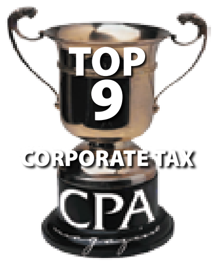
TaxWise is a thorough tax preparation program that is customizable to any size practitioner and comes complete with all the information, support and detail you will need to quickly prepare returns.

Universal Tax Systems
www.taxwise.com
800-755-9473

Asset Manager Handles Like-kind Exchanges

By Alysia McDonald

TaxWorks 2005 remains user-friendly and intuitive, with a number of options that allow you to customize the program to your practice. Installation guides you through this process quickly and easily. The program allows you to import data from select accounting packages, minimizing duplicate data entry. Specifically, the program imports directly from QuickBooks and pulls from files exported from Intuit EasyACCT and Creative Solutions Accounting.



TaxPlanner is a great feature for preparers who need to consider various tax scenarios for clients and allows comparison of five different scenarios on screen at one time.

Features

TaxWorks comes with a stand-alone CD that provides federal and state instructions, and publications, along with fill-in forms. This information also can be downloaded from the website. The comprehensive list of forms, schedules and state applications makes it easy to complete either stand-alone or complex, interrelated returns. The CD-ROM gives you access to all state packages, and one return can be processed with up to 42 states at one time. Taxes paid in non-resident states automatically show up as credits on resident returns.

TaxWorks PROFESSIONAL TAX SOFTWARE

The Client Management feature offers a wealth of control with reports that help manage numerous clients within a busy practice. For example, the Production Report lists all clients in the database, the number of returns printed, and the percent by type of form or schedule. This report also shows production averages for the firm and production by date on either a combined or individual preparer basis.

As last year, the Asset Manager handles complex transactions such as like-kind exchanges, group sales and dispositions/partial dispositions. As clients roll forward, assets are updated each year, saving time by eliminating duplicate data entry. The program calculates all required federal forms related to fixed assets, including any adjustments for states that do not follow federal guidelines. In addition, the program provides real-time calculations that you can review before finalizing the client return.

The "Flip" icon enables the user to switch back and forth between the information entry screen and the tax form, with continuous updates as you go. The format you see on the screen is an exact replica of the government form. Efile is fully integrated with all tax preparation, including 1040, 1120, 1120S, 1065 federal, all 1040 states, and several business states and bank efile status available online.

TaxPlanner is a great feature for preparers who need to consider various tax scenarios for clients. The program allows comparison of five different scenarios on screen at one time. It should be mentioned that this is a high-level function, not in-depth like the full returns would show.

An improved K-1 function automatically identifies the EIN and activates the Import K-1 button. With a simple click, you are able to select the K-1 to import data. In prior years, users were required to manually identify the EIN to activate the import function.

System upgrades are provided online, so there are no CDs to handle once the program is installed. This online function extends to the Alert icon, which gives you instant information from TaxWorks. For example, one alert stated that Form 990 had just been released, with specific information about areas to review due to changes.

The left menu allows you to toggle between a "report summary" (showing the current status of the return) to the form selection menu. The summary information also appears in the status bar across the bottom of the screen, by form or by schedule being viewed.

The Review function is used to process returns and offers suggestions to correct or complete information. If you select "fix now," the program takes you directly to the area that needs attention.

Two different Help selections guide you through questions. Form Help lets you select federal, state, corporate, individual and gift forms. Program Help offers built-in tutorials guiding guide you through specific examples. You may also upload any form to send to the TaxWorks support team for specific help. With this function, Social Security numbers, Employer ID numbers and routing numbers are automatically blanked out to maximize security. CPE credit for training is also provided.

Summary

TaxWorks readily handles diverse tax scenarios and provides user-friendly formatting for diverse practitioners.

TaxWorks
www.taxworks.com
800-230-2322 x2

Design Qualities Integrate Across all Forms and Schedules

By Alysia McDonald

UltraTax CS offers a user-friendly format designed to enhance productivity and speed up tax return preparation. This program was a breeze to install, taking about six minutes including the Internet updates that appeared via a communications window immediately after CD installation.

States are integrated with the federal programs which speeds up state preparation considerably and eliminates duplicate data entry.

Features

Upon opening the program, a comprehensive pop-up window appeared offering User Bulletins with updates on the program. A simple click closed that window and revealed a clean screen with a simple menu across the top bar.

Selecting "File" dropped down a set of options, including New Client. Simply enter the client data, select the type of return, and move quickly through the process. The program was intuitive, uncluttered and easy to navigate. The left vertical menu displayed forms and pages, while the right area showed the input and work area.

The program offers a handy visual guide by color-coding source data, so you always know where data originated. For example, black is information entered by the preparer, blue is information calculated or transferred by the system, and information in hot pink came from the client through the Web Organizer or is imported K-1 data. Your override data appears in red.

States are integrated with the federal programs, automatically capturing the appropriate federal data and then calculating the state information. This speeds up state preparation considerably and eliminates duplicate data entry. Preparers enjoy simultaneous multi-state processing that includes automatic credit for taxes paid to other states.

All forms associated with a return appear across the top of the work area for easy selection. For example, in the 1040 General Information input, the associated forms included client contact information, POA, installment agreement request, Katrina forms, change of address form and more. The placement was helpful and logical, as you will find this throughout the program.

The Web Organizer is a refreshing, unique feature to transfer client data directly into the product; clients complete their tax information online through your website. You simply collect their data and transfer it into UltraTax CS. Data entered into one UltraTax CS program is available to all other programs for a client. This integration creates a smooth operation and eliminates needless data reentry.

Another clever timesaving feature is Smart Data Entry. The cursor automatically skips fields that don't apply to a client or that already contain data. For example, it automatically skips the spouse field on returns for single taxpayers.

The program handles K-1 information very handily, automatically flowing from 1065, 1120S or 1041 returns into 1040s for partners, shareholders or beneficiaries.

UltraTax CS provides easy efile capabilities, including diagnostics and review to help clear problems in the return. All appropriate forms are available, including states that offer efiling.

How many times are preparers interrupted by someone asking for information on a client—right when they are working on a different return? With UltraTax CS, preparers can review more than one client return at a time. A second or third client can be opened to respond to an inquiry without closing the current return. This eliminates common interruptions, smoothing work flow and allowing quick response to questions.

The Watch Window also speeds tax preparation by showing a quick view of the client's information, such as income, total tax, refund and more. Prior-year view enables quick comparisons between current and previous year information.

The Internet continues the UltraTax CS progress with tax preparation by allowing you to email draft copies of returns to your clients for review. This eliminates printing, faxing and waiting for responses. You can also email prior years to client-authorized third parties, such as mortgage companies or banks, a great client service feature.

Summary

UltraTax CS is a comprehensive, easy-to-use program that includes great functionality and well-designed integration across all forms and schedules.

Creative Solutions
www.CreativeSolutions.Thomson.com
800-968-8900