



Online, CD and Downloadable Tax Preparation Programs

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Who prepares your Taxes?



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1. Do you use a Tax Preparer?



Who prepares your Taxes?

1. Do you use a Tax Preparer?
2. Do you use a Tax Program?



Who prepares your Taxes?

1. Do you use a Tax Preparer?
2. Do you use a Tax Program?
3. Do you do it by Hand?



Who prepares your Taxes?

1. Do you use a Tax Preparer?
2. Do you use a Tax Program?
3. Do you do it by Hand?
4. Do you bother filing at all?



What's New on the 2010 Form 1040?

- Due Date is April 18
- No More Phase-Outs for Itemized Deductions and Exemptions (phase-outs are repealed for 2011 and 2012 as well).
- One-Time Break for Self-Employed Individuals
- Homebuyer Credit Repayment Rules Kick In
- Real Estate Tax Deduction for Non-Itemizers is Gone
- Deductions for Sales Taxes on New Vehicle Purchases Are Gone
- Break for Unemployment Benefits Is Gone
- Your Tax Preparer Might E-File Your Return This Time

2011 Online Tax Software Review Product Comparisons

Rank	#1	#2	#3	#4	#5	#6	#7	#8	#9
	Turbo Tax	H&R Block At Home	TaxACT	OnePrice Taxes	Complete Tax	TaxSlayer	TaxBrain 1040 Deluxe	OLT Online Taxes	Express Tax Refund
Overall Rating									
Ratings									
Intuitive Navigation									
Novice-Friendly									
Ease of Sign-up									
Feature Set									
Help & Support									
	Price		Range						
Lowest Price	\$29.95	\$42.46	\$17.95	\$14.95	\$9.95	\$9.95	\$39.95	\$7.95	\$29.95
Federal Return Price	Free-\$29.95	\$25.46-\$38.21	\$9.95-\$19.95	\$7.95-\$19.95	\$29.95	\$9.95	\$39.95	\$7.95	\$29.95
State Return Price	Free-\$36.95	Free-\$29.95	Free-\$8.00	Free-\$7.95	\$24.95	\$4.95	\$29.95	\$7.95	+\$20.00
E-file Price	Free	Free	Free	Free	Free	Free	Free	Free	+\$20.00

Which Online Tax Software Company is Right For You?

				
Federal Filing	Free - \$74.95	Free - \$17.95	Free - \$79.95	Free - \$42.46
State Add-On	\$36.95	\$8.00	\$32.95	\$8.46
Ease of Use	<u>5</u>	<u>4</u>	<u>4</u>	<u>3</u>
Tax Support	<u>5</u>	<u>4</u>	<u>3</u>	<u>4</u>
Tech Support	<u>4</u>	<u>4</u>	<u>3</u>	<u>2</u>
Reliability	<u>5</u>	<u>4</u>	<u>5</u>	<u>4</u>
Overall Score	19 / 20	16 / 20	15 / 20	13 / 20
	E-File Free	E-File Free	E-File Free	E-File Free



Tax Software Programs

TurboTax

- TurboTax is very quick and easy for simple tax returns.
- Handles complicated returns if needed.
- I found it harder to find less-common data entry screens, but TurboTax's live community provides easy access to relevant help and support if you have questions about taxes or using the software.
- Pricing is a little higher than other programs.



Tax Software Programs

TaxACT Deluxe

- TaxACT is highly recommended for people with relatively straightforward tax returns to prepare.
- TaxACT's appealing price and premium features makes it a top choice for many.
- The feature I like best is that TaxACT uses your tax return information to prepare a college financial aid worksheet. This will help parents and students in filling out their FAFSA applications. No other tax software offers FAFSA worksheets.



My Experience with TaxAct

- First I gather all the tax information I received (wages, 1099R, K-1, 1099D1V, 10991NT, 1099B, bank interest, rental property info, etc.).
- Second I import my personal information from last year's filing. Some programs allow you to import your tax information directly from the financial institutions.
- Third I follow the steps in the Federal Q&A section of the program to input income, deductions and credits.
- Fourth I input the State via the Q&A info. Most of the info is obtained from the Federal input. I was then ready to efile or mail both of them.
- Last I calculated my estimated quarterly payments when required. I also plan for next year based on any changes to the Tax law or my situation.



Tax Software Programs

TaxCut Premium

- H&R Block, the makers of TaxCut, have done a good job of making data entry screens easy to read
- Has become the second most popular tax program.
- H&R Block offers “Worry-Free Audit Support,” where a tax professional will help defend your return against an IRS audit, included in the price of the software



Tax Software Programs

CCH CompleteTax

- Offers a simple user interface, allowing you to enter data and answer interview questions in a no-frills environment.
- CompleteTax however expects you to be firmly in the driver seat.
- CompleteTax is the fastest of all the software programs for a complex tax return.
- The clean, simple user interview format makes maximum use of the computer screen, so you don't waste time answering just one question at a time.



Tax Software Programs

Free Tax Software

- You can prepare your taxes and electronically file your return for free using one of the IRS Free File websites.
- You must begin at the IRS Free File page. If you go directly to the vendor site, you may have to pay for their service.
- Some of the participating software vendors are top-notch.



Software Summaries

TurboTax

Excellent helper text/on-screen guidance

- Excellent error checking
- Audit triggers meter: shows your likelihood of being audited
- Offers Audit Defense: full-service representation if you are audited by the IRS (additional \$39.95)
- Offers live tax support (\$29.95 for the first 20 minutes and \$19.95 per additional 20 minutes)
- Offers professional tax review: tax advisor manually goes through your entire tax return (additional \$39.95)
- Trusted and reliable brand: in business for 20+ years



Software Summaries

TaxACT

Pros

- Least expensive price for filing federal returns
- Least expensive price for filing state returns (state add-on included for free with Ultimate product)
- Least expensive price for live tax support (\$7.95 one-time fee for unlimited phone tax support)
- Deluxe and Ultimate products offer the same capabilities as counterpart products from TurboTax and H&R Block at much lower cost
- Excellent error checking: most thorough double-check function we've reviewed



Software Summaries

TaxACT

Cons

- Does not offer a professional tax review, which means a tax advisor manually goes through your entire tax return. (This is available through TurboTax and H&R Block.)
- Costs \$12.95 to access your previous tax returns from the last three years (This is free with TurboTax and H&R Block.)



Software Summaries

H&R Block At Home

Pros

- Competitive tax products and local tax support
- Only provider with physical locations where tax representatives can help you fill out your tax return
- Offers live tax support (free, unlimited support with Best of Both product; one free session with Premium product; additional \$19.95 on lower-level products)
- Offers professional tax review: tax advisor manually goes through your entire tax return (included for free on highest level “Best of Both” plan only)
- Trusted and reliable brand: in business for 50+ years



Software Summaries

H&R Block At Home

Cons

- Online interface is not as user-friendly as those from competitors TurboTax and TaxAct (e.g. does not prompt you to save progress; does not let you bookmark or flag pages of your tax return to revisit)
- Below average tech support: Our tests showed it took longer to get simple questions answered over the phone than it did to look them up online.



Software Summaries

CompleteTax

Pros

- Inexpensive tax products.
- Low cost for filing both federal and state tax returns (state add-on included for free with Premium product).
- Offers Audit Defense: full-service representation if you are audited by the IRS (AuditPro costs \$19.95 for one year or \$29.95 for three years)
- Offers live tax support (\$19.95 for three months of unlimited phone support; \$4.95 per live chat session; one free session included with Deluxe product; two free sessions included with Premium product)



Software Summaries

Complete Tax

Cons

- Online interface is not as user-friendly as those from competitors TurboTax and TaxAct (e.g. does not provide an overview of information entered; tax forms are not formatted in a user-friendly way)
- Costs \$9.95 to access your tax return from last year (This is free with TurboTax and H&R Block.)
- Poor tech support: phone support is not available, email response takes more than 24 hours, and live chat costs \$4.95 per session (This is the only company to charge for tech support)

2011 Online Tax Software Review Product Comparisons

Rank	#1 TurboTax	#2 H&R Block	#3 TaxACT	#4 OnePrice Taxes	Complete Tax
Overall Rating	★★★★	★★★★	★★★★	★★★★	★★★★
Intuitive Navigation	★★★★	★★★★	★★★★	★★★★	★★★★
Novice-Friendly	★★★★	★★★★	★★★★	★★★★	★★★★
Ease of Sign-up	★★★★	★★★★	★★★★	★★★★	★★★★
Feature Set	★★★★	★★★★	★★★★	★★★★	★★★★
Help & Support	★★★★	★★★★	★★★★	★★★★	★★★★
Federal Return Price	Free - \$29.95	\$25.46 - \$38.21	\$9.95 - \$19.95	\$7.95 - \$19.95	\$29.95
State Return Price	Free - \$36.95	Free - \$29.95	Free - \$8.00	Free - \$7.95	\$24.95
E-file Price	Free	Free	Free	Free	Free
Box/Download Version Available	✓	✓	✓	✓	
Error Checks or Alerts	✓	✓	✓	✓	✓
Tax Data Import	✓	✓	✓	✓	✓
Refund Owe/Meter	✓	✓	✓	✓	✓
Guided Interview Interface	✓	✓	✓	✓	✓
Deduction Finder	✓	✓	✓	✓	
Final Tax Review	✓	✓	✓	✓	✓
IRS Publication Library	✓	✓	✓	✓	✓
Tax Planner	✓	✓	✓		✓
Audit Defense	*	✓			✓
National Averages Comparison	✓	✓	✓		✓
Year-to-Year Dedu. Comp.	✓		✓		
Joint vs. Separate Filing	✓	✓	✓	✓	✓
Multiple Tax Return Prep.	✓	✓	✓	✓	
Electronic Filing	✓	✓	✓	✓	✓
Received by IRS Acknowledgement	✓	✓	✓	✓	✓
Tax Return Status Check	✓	✓	✓	✓	✓

Continued

	<u>TurboTax</u>	<u>H&R Block</u>	<u>TaxACT</u>	<u>OnePrice Taxes</u>	<u>Complete Tax</u>
Ability to Deduct eFile Fee from Refund	✓	✓	✓	✓	✓
<u>Direct Deposit Refund</u>	✓	✓	✓	✓	✓
<u>Tax Consultant Available</u>	*	✓	✓		
<u>Small Business</u>	✓	✓	✓	✓	✓
<u>Retirement Planning</u>	✓	✓	✓	✓	✓
<u>Home Ownership/Rental</u>	✓	✓	✓	✓	✓
<u>Investment</u>	✓	✓	✓	✓	✓
<u>Family Tax Strategy</u>	✓	✓	✓	✓	✓
Phone Support	✓	✓	✓		
Email Support	✓	✓	✓	✓	✓
Live Chat	✓	✓			*
FAQs	✓	✓	✓	✓	✓
Online Help	✓	✓	✓	✓	✓
Tutorials	✓	✓	✓		✓
User Forums	✓				



Current Pricing

	TurboTax Deluxe	H&R Block Deluxe	TaxAct Deluxe	CCH CompleteTax
Costco	\$45			
Amazon	\$45 (no tax)	\$26.92 (no tax)		
eBay	\$37.95 (no tax)			
Company Website			\$17.95	\$42 but special free deals
Note: All programs include State Tax and free efilng.				

Many websites offer free online tax preparation but most require form 1040EZ or standard deductions only.



Pricing Considerations

- Do you want to prepare more than one return? What are the restrictions?
- Does your software include California State? Do you need other states? How much do they cost?
- Does it include eFiling? Just for Federal or also for State?
- Is it a teaser price to get you into their product? Is the regular price much higher?
- You don't need a CD in a case. You can download cheaper and burn your own CD for archiving.



Summary Comments

- TurboTax is by far the most popular but there are good alternatives
- All programs guarantee their calculations so all should yield the same numbers
- Free online tax preparation is possible but many free sites want simple returns only
- Online tax preparation is becoming more popular – good security and fast response time.
- All software is extremely cheap compared to a professional tax preparer
- eFiling is encouraged by the IRS and most programs offer this feature.