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Isaac M. O'Bannon • Apr. 23, 2016



From the [2016 Reviews of Professional Tax Preparation Systems](#).

Best Firm Fit: TaxAct is best-suited to small tax-focused firms and sole preparers, with mostly 1040 clients with less complex returns. However, TaxAct does offer business entity returns, as well.

Strengths

- Central client list gives easy access
- Economical system for preparers stepping up from consumer programs
- Very user-friendly interface and return processing functions
- Online tools give preparers access to firm reports, client returns, file sharing, and document management

Potential Limitations

- Limited integration options for tax planning, practice management, no research

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The TaxAct Preparer Editions are designed for smaller firms and sole practitioners wanting an economical and easy-to-use professional compliance system. The program offers centralized client management functions, along with online access to client and firm management reports, providing simplified preparation support for most non-complex returns.

The system is available in several bundles based on the federal form type, including the primary 1040 package, plus a business bundle that includes forms 1041, 1065, 1120, 1120s and 990. The bundled versions include unlimited e-filing and all states. The system opens within the Client Manager, providing a quick overview of clients, appointments, e-filing status for returns, and the document management system. Users can quickly access reviews, or can sort and filter by a variety of options.

When working within a client's return, the system uses a split-screen interface, with data entry taking place on form replicas on the right, while the left side offers a tree menu of all associated forms, schedules and worksheets that can be added to the primary federal form. The system also offers shortcuts to Q&A entry option, forms, alerts and other tools across the top. The Q&A entry option gives an interview format for preparers to follow with clients, but sometimes feels as though it is more designed for actual taxpayer use.

New for 2015, the TaxAct Preparer Editions include Form 990, more than 30 states for business and 1041 forms, enhanced e-file processes, the new Client Xchange document sharing portal, and dedicated support for professional tax preparers.

Integration Options: 4 Stars

The TaxAct professional systems offer the ability to import prior year tax data automatically, as well as to import W-2 data directly from large employers, K-1 data from inter-related returns prepared in the program's business bundles, and from PDF-formatted returns from other tax software. A Stock Assistant feature helps

streamline entry of client investment information, and Sch. B and D data can be

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securely send tax documents to the preparer. TaxAct also offers several tax reports and tools that help increase efficiency, including MFJ vs. MFS comparisons, depreciation and disposal summaries, college financial aid reports, tax planning tools, benchmarking, and what-if scenarios for charitable giving and retirement savings. As noted previously, the system can import payroll data from the largest U.S. companies and payroll service providers, as well as importing prior year returns and K-1 information. Returns can be saved to PDF format.

Remote Capabilities: 4.25 Stars

The TaxAct Preparer's Editions are designed to be installed on workstations or on a firm's server and can be used by any number of staff at a firm. Users also have access to a variety of web-based practice management resources, including firm reports, the Client Xchange portals, client returns and calculators. Data can be set to automatically back up on TaxAct's secure servers.

Help/Support: 4.25 Stars

TaxAct includes generous user help functions, including the traditional index, but also links to line-by-line form instructions, and online resources include a searchable help database, videos, tax resources, user guides and implementation information. Live and web-based support is included with system pricing.

Summary & Pricing

The TaxAct Preparer's Editions are a very economical option for preparers wanting the benefits of a system designed to manage a tax practice, with streamlined overviews of client data, client return status, firm reporting, document management and secure client portals, along with bank return products. The most attractive packages include the 1040 Bundle for \$589 per year, which includes 1040, all states and unlimited e-filing. The Complete Bundle, priced at \$1,099, includes those, plus

1041, 1065, 1120, 1120s and 990 preparation. A lower-tier, per-return pricing model is

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