versions available for consumers and professionals preparers, supporting federal forms 1040, 1065 and 1120S, with corresponding support for selected states. The Preparer's Edition of each of the modules includes additional functions such as client organizers, review tools and managerial reporting functions. Each federal module costs $99, but the two business entities can be purchased bundled for $169. The state versions are $12.95 per state or $51.80 for all states, per federal module. The system supports all states with individual income taxes, but 1065 and 1120S states are limited to AZ, CA, GA, IA, IL, IN, MN, MO, NY and WI.
E-filing costs are based on a downward sliding scale based on volume, starting at $7.95 per federal and $3.50 per state return, with unlimited federal and state e-filing available
for $500.

Learning Curve – 5 Stars
TaxACT Preparer's Edition is very easy to navigate, with options for entering client data on either form replicas or through an interview system. The program is very similar to the company's consumer-level program, greatly easing basic return preparation activities and requiring no training and very little time to grow accustomed to the system's use. Additionally, the modules share an identical interface, easing the transition between systems. Regardless of which module the user is in, the system opens to the Client Manager screen, which acts as the primary system interface. This selection screen allows access to existing or in-progress client returns, and is sortable by name, SSN, refund amount, status and other data, and includes client contact information. This is also the starting point for beginning work on new clients.

This screen is topped by
a row of icons for various program features, including switching between forms or interview entry, viewing a summary of client data, viewing a site map, and going to

the Client Home screen. The system also includes Forward and Back arrows for

data entry since even preparer information entered into one system is not shared with the others. The state systems, on the other hand, do integrate directly with the federal versions to share needed data and automatically complete forms. The program includes a limited but helpful diagnostics system called Alerts, which identifies incomplete or inconsistent information, other potential problems, and even identifies opportunities for increased tax savings. Alerts is a step in the review process, but is available at any time from the icon menu. Also in the 1040 review process, the system includes a national average comparison feature that enables side-by-side comparison of deductions, credits and other items based on the client’s AGI.

TaxACT offers the ability to post notes to virtually any form line or data field, and computed or transferred data is linked to its source, allowing drill-down access to supporting forms and schedules.
The interview mode, called Q&A, provides extremely simplified guidance for preparers, with laymen’s English questions for data entry, such as, “Did you receive money from a retirement plan or move funds from one plan to another?”

The program is very much the same as the consumer-level model, with the exception of the client selection list and various practice management functions. This probably explains the use of first-person references such as the one above while working with returns in any of the modules. For example, it refers to “your tax return” and asks if “you have income or expenses from a business you own.” While this may be a point of semantics, I suppose it could act as a script for temps or newbies performing face-to-face tax engagements. The built-in E-filing system is only available on the 1040 module, which allows batch filing and helps manage e-file status, providing acknowledgements, reject codes and other data. The program also supports bank products.

Included with the professional versions of the software are customizable client

three modules do not share data between themselves, so K-1 data cannot be automatically routed to partners' returns. Nor does the system support data sharing between parent/child returns. The program does not integrate with outside accounting or asset management applications with the exception of GainsKeeper Pro, nor does the system offer an integrated research function.

Support/Training & Help System – 3.5 Stars
TaxACT is a very simple program that should not require formalized training to become proficient, which is good because the company doesn't offer such options. A tutorial is included with the program, however, and 2nd Story Software offers a variety of online help subjects, guides and FAQs regarding the program. The company's support staff is available via phone or e-mail. The software and system updates are available online.

Product Evolution & Vendor Vision – 3.5 Stars
It seems that TaxACT continues to primarily focus on the consumer DIY market, which may not endear it to professionals who are after volume low-end returns. But the developer has been adding more features to the professional-focused versions and has already made it about as easy to use as possible. Although lacking formal training programs, the company offers good support and has embraced the web for support features and as its preferred method of delivery (if you want a CD, it costs an extra $19 for shipping and handling). The system should continue to grow more robust, but its current lack of support for 1120C corporations and other entities limits the reach it can have in the professional market, aside from small or narrowly focused practices that primarily prepare 1040s.

Relative Value – 4.5 Stars
TaxACT's pricing depends on the use of the firm, since e-filing is not included in the sticker price. Unlimited state and federal filing, in addition to the original cost of the

three modules would cost about $768, which makes it the lowest cost program in

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