Tax Prep Suites

Lacerte has long been one of the most respected tax suite offerings, providing a system that can be used on stand-alone or networked systems with compliance reporting for the full spectrum of entities, including federal forms 1040, 1041, 1120, 1120S, 1065, 706, 709, 990 and 5500, and equivalents for all states with equivalent reporting requirements. Lacerte's modules can be purchased individually or as a fully integrated suite, with optional workflow enhancing and related programs such as tax planning and document management also integrating
with the tax system. Additionally, the program can be used either as a traditional unlimited-use system or on a pay-per-return basis. To meet the needs of our prototype firm (detailed in the intro),
the 2005 version of the tax suite cost about $7,400, with a 15 percent discount available for professionals renewing their licenses. As noted, this is based on 2005 pricing; the vendor noted that pricing may change and additional discounts may be available for TY2006.

Learning Curve — 5 Stars

Lacerte opens to the primary Client selection screen, which enables the use of a variety of filtering options that are available in a panel to the left of the list, including segregating E-File clients, separating returns prepared by different preparers, or sorting by the status of a client's return. Additionally, users can sort the spreadsheet list by its columns. The Client pull-down menu at the top of the window also allows retrieval of form-specific client lists. All of the system's primary functions are accessible via an array of icons across the top of the screen, while several tabs provide one-click access to the Client Tracker, Client lists, Detail screens, Forms, Diagnostics and Analysis functions. The diagnostics and analysis tools can be accessed either

from within a client return or simply by highlighting a client in the selection

maintains client contact information, including phone and e-mail, on the left side of the screen. Overall, the system is very well designed, providing intuitive work screens and data entry, and should require little time for users to gain basic proficiency.

Use/Workflow & Productivity Tools — 5 Stars

As noted above, the system defaults to a centralized client list that offers several methods of searching and filtering, and keeps all primary program features accessible via icons, tabs or other methods. New client setup is simple, and routine data-entry tasks are aided by auto-fill "smart lists" that populate as users enter information. These pull-down selection lists are available for such entries as occupation, city, employer, preparer and other categories. Throughout the interview process, or during review, users can mark data fields as "missing data," which can then be generated into a report, or the system can be used to e-mail clients requesting specific data that is still needed to complete their return. Lacerte still offers paper client organizers, as well as electronic organizers that help clients better prepare for their engagement and speeds data entry time for the professional by allowing direct import of data entered by the client.

In addition to the "missing data" functionality, Lacerte's diagnostics and analysis utilities are easily accessible while within a client return, allowing the user to quickly review overridden calculations, erroneous entries, and other issues, including an audit trail-like feature that notes changes made per user. Analysis functions enable benchmarking comparison of a client Schedule A or C with IRS norms. For individual filing, multi-state processing is available. The system can simply export parent data to child returns, and enables quick comparison of MFJ vs. MFS, with the ability to split an MFJ into two returns with a single click. For corporate and partnership returns,

Lacerte exports K-1 data into the appropriate input screens for individual returns

As an integrated suite, Lacerte automatically routes client data between modules as needed, and enables users to easily move between entity types and modules while maintaining the same interface. An Internet-based alerts tool notifies users of tax law changes that may affect specific clients based upon client characteristics. The Intuit-sponsored TaxAlmanac.org web site provides a free peer-reviewed tax research and knowledge web portal that uses a Wiki-style system where any of the site's registered users can enter, edit or update data. Changes are reviewed prior to posting, and sensitive topics can be locked from editing. Aside from TaxAlmanac, which anybody can use, Lacerte does not directly integrate with a tax research system. The program also offers integration with QuickBooks, allowing simplified pull-in of trial balance data as well as export of billing information back into QuickBooks. Free client data conversion is offered for users of most major professional tax systems, and the program can export data into various text formats.

Support/Training & Help System — 5 Stars

Lacerte's built-in Help system has been enhanced by the addition of a Help Me panel at the bottom of the screen that offers simple search capabilities as well as links to common questions related to the screen the user is viewing. Additionally, the panel shows when new alerts are available. Lacerte also includes content-sensitive right-click assistance, which is supported by the traditional built-in Help utility and an online support center that provides FAQs, tutorials and reference materials. A variety of CPE-eligible webinars, webcasts and other training options are available. The program includes an Internet update option that automatically searches online for available updates, thus ridding the need to keep up with CDs and also getting the updates to the users more quickly.

Product Evolution & Vendor Vision — 5 Stars

in many enhancements to the tax programs over the past several years. The company's
sponsorship of the nonprofit tax research portal TaxAlmanac.org shows a continued devotion to assisting tax professionals.

Relative Value — 4.5 Stars

While the Lacerte program can be used on a pay-per-return basis and is quite easily capable of handling bulk simple 1040s, the robust capabilities and price-point of the unlimited-use version of the entire Lacerte suite is ideally suited toward firms with multiple professionals whose clients include complex business entities and individuals whose returns can likewise get complex. The system provides excellent analysis and diagnostics, provides outstanding support within the program and through external options, as well as integration with tax planning and document management systems.

2006 Overall Rating — 5 Stars