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Sep. 25, 2007

*From the Oct. 2007 [Review of W-2/1099](#)*

### *Systems*

Magtax is a low-cost year-end information return compliance system that supports forms W-2, 1099-Misc, 1099-C, 1099-R, 1099-Div, 1099-Int, 1099-S, 1099-B, 1099-G, 1098 and 1098-C, with versions available for in-house filing for one company and for professionals managing these compliance processes for an unlimited number of payer clients and recipients, including filings by subsidiary entities. The system outputs reports to plain paper or pre-printed stock and offers electronic and magnetic media filing capabilities for IRS and SSA compliance. The single-payer Lite version of the program, which supports only W-2 and 1099-Misc, costs \$119; the Standard version, which also supports all forms listed above for an unlimited number of payers and recipients, costs \$179; the Magtax Professional version, which adds a more robust import utility, client management, W-2c, and prior year support costs \$289.

### **Usability/Navigation – 4 Stars**

Magtax opens to a newly redesigned interface that starts with the system's sortable Payer selection spreadsheet screen, which also provides tabs for generating forms and electronic filing processes. The main screen offers a vertical menu on the left with icon and text-based links to primary function areas, including Setup tasks, management of payer data, 1099s, W-2s and printing/reporting options. At the top of the screen, icons for Getting Started, What's New and Web Update are also available. Setup of new payer/client entities is aided by a wizard that guides users through setup of a client database, including entering of basic information, contacts and federal/state EINs. All windows and work screens are well designed with crisp, intuitive icons that make learning the system fairly simple.

After selecting a payer entity, forms are accessed and created via the left-hand

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12, and Box 14. Data for the paying entity is automatically added to the form, but the program does not offer a payee/recipient lookup function or provide copying or template options, which means that users must re-enter all data for recipients that are already in the system because they receive multiple 1099s from companies or subsidiaries being managed by the program. The system offers both form-based (replica) and rapid (information sheet) data-entry options for 1099s. However, only the information sheet method is available for W-2s, following actual form layouts. Overall, the redesign of the interface has greatly enhanced the usability of the program, which now provides intuitive navigation aside from terms like datasets instead of more business appropriate terms like payers.

### **Reporting & Import/Export Capabilities – 4.5 Stars**

Magtax offers summary reports of filings and allows print output of forms and reports to plain paper or pre-printed forms, as well as saving files into PDF and other formats. The Standard and Professional versions of the program offer data import from QuickBooks, Excel, \*.CSV, \*.TXT and DOS files, with the Professional version also including a distributable import utility that can centralize the gathering of data from multiple clients. The single company version only imports from QuickBooks.

### **Support for Paperless Transmission – 4 Stars**

Electronic filing for multiple companies/clients is included in Magtax, with a filing interface that allows direct submission of formatted files to the IRS and SSA from within the system.

### **Help/Training – 4.5 Stars**

In addition to a well-built, index-based Help utility and limited right-click menus in Magtax, the new payer/client wizard offers good assistance for setup

tasks. Task-specific Help is available from virtually every screen, providing

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