Isaac M. O'Bannon • Sep. 03, 2010

About five years ago, Intuit was the first professional tax software developer to develop and market an integrated "scan and populate" system. There are several on the market today, but they introduced it to the mainstream of tax and accounting practices, allowing staff to scan in client source documents like W-2s, 1099s and 1098s.

The SourceDoc feature, available for both the Lacerte and ProSeries tax programs, was certainly innovative, but being first to market with the idea meant that Intuit was also first to see areas that needed to be fixed/changed/forgotten. The biggest challenge they faced was in providing a simplified and automated review feature, which is something we all (with the benefit of a few years' experience) know is essential to getting the true benefit out of an auto populate utility. Intuit ended up pulling it from availability after a year but kept their eye on developing a better system.

Since then, the technology and workflow processes involved in tax document management has dramatically changed. The increasing use of auto populate systems has been notable, but even more so has been the development of other scan-based features, particularly "scan and organize" tools. With this functionality, a tax firm's staff scans client source documents and then generally uploads them into a web-based system that first identifies what the document is (1098? 1099? W-2?), then arranges the documents into the traditional workpaper format for data entry, and creates a bookmarked PDF file of the electronic workpapers. The staff doesn't have to do the tedious labor. Variations of these systems are available from Copanion, Thomson Reuters, CCH and Sureprep, which basically developed the concept. Most other professional tax software developers offer at least a scan and populate system that can recognize W-2s, 1099s and 1098s, but without the advanced workpaper organization options.

Another significant development is the number of forms and brokerage statements

U.S. In a nutshell, ProLine Tax Import provides a system where tax staff scan client documents, in any order, and upload them to Intuit's secure site where they are transformed into a bookmarked and organized PDF and with the ability to import the data into a client's return in Lacerte, ProSeries or the new, web-based ProLine Tax Online. Various workflow tools also help keep preparers and reviewers aware of when the electronic files are ready and the next steps in the process.

What's really new, however, is the addition of direct downloading of client data from their financial institutions. After gaining verified client approval to access the data, the tax professional's software is able to pull 1099-B/INT and DIV data, including cost-basis data, directly from the institutions that have joined with Intuit to offer the service. By directly downloading the data, there's no scanning involved, which increases the accuracy to, well, about as close to 100% as you can get. No more OCR errors that might get missed during a review, and no more paper.

Intuit did it very right this time, and they've gotten most of the largest U.S. financial institutions on board, including Bank of America, Charles Schwab, E*TRADE, Edward Jones, Fidelity, Morgan Stanley, Smith Barney, Scottrade, TD Ameritrade and UBS.

The service is being offered free through Oct. 15, just in time for extension season (Lacerte is currently available, ProSeries will be available soon). Pricing thereafter will be based on either pay-per-use, bundled number or unlimited use.

More information on ProLine Tax Import at Intuit:
https://proadvisor.intuit.com/product/more-products-solutions/tools/data-import.jsp

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