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post, in that CCH had a banner year this tax season. They were not alone. Most of the tax prep providers had a good year, due in large measure to the stronger use of electronic filing. From the perspective of the Internal Revenue Service, this may count as one of the most successful tax seasons. Electronic filing was up by some 12.2 percent, total receipts increase 1.3 percent over 2010, and the number of individuals who used direct deposit to receive their refund was up by 5.9 percent. In fact, the IRS had virtually nothing negative to say about the tax season that closed on April 15. But they are the only ones. From consumer advocates to Congress to tax preparers, there were problems. Even tax preparation software companies, who have largely ironed the kinks out of their software over the past few years, found it difficult to keep up with the increase in e-filers and the last-minute changes to the tax laws. Nor was it trouble-free for most tax prep vendors. Thomson Reuters, which publishes both UltraTax CS and GoSystem Tax, noted a dramatic increase in calls to its support department because of the new Federal 1040 e-filing mandate. Despite proactive efforts to prepare its users, there were still many firms and many individual preparers that needed assistance moving to e-file processing. Intuit, which publishes ProSeries and laCerte, saw issues for professionals in the late passage of legislation that in turn caused problem with a number of 1040 and Schedule A filers. It was a chore for everyone to get forms approvals in a timely manner, which in turn compressed the season for preparers. It added to the stress of the year for both accountants and their clients. But no one should be pumped about the events of this tax season. Setting aside the problems of direct import to CPA firms, we should pay careful attention to other problems that may make this one of the worst tax seasons on record:

- A dramatic increase in identity theft.
- Serious problems with the energy tax credits claimed by individual taxpayers
- A first-time homeowner tax credit so plagued by fraud that some taxpayers are still waiting to have their returned even examined.

The good news of this season is that tax prep vendors rose to the occasion, showing deft and swift responses to the challenges of late tax law changes, and presenting solid software solutions worthy of their experience in the

industry. The bad news is that the problems encountered by consumers — in terms of

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