Although seasonal income for many, a lot of consideration should still be given for the most appropriate tax software solution. Each firm has a different number of employees, client focus and a host of other differences to consider. Thankfully there are plenty of tax software solutions to choose from to fit individual firm needs.

**Steven Phelan** • Apr. 21, 2014



**From the April 2014 issue.**

For the second year in a row, tax practitioners had a slight delay in starting the

As in the past, we have split our reviews into two sections – advanced workflow and traditional workflow.  Though the general functions provided by all the vendors are similar, there are certain features and capabilities that are reserved for larger firms or those that specialize in certain types of engagements such as international or multi-tiered partnerships.  This year, we reviewed ten solutions with five solutions each dedicated to the advanced and traditional workflow models.

The advanced workflow solutions are designed for larger firms and are especially geared to firms requiring at least one review level.  The advanced workflow solutions are generally more capable at handling complex tax scenarios and provide a greater assortment of tax form support.  In contrast, the traditional workflow solutions are typically geared to firms processing a large number of individual returns.  Traditional workflow solutions focus on the usability of the software and present many customer service features, such as a refund/tax balance due and client contact information in prominent view.

Overall, not too much has changed in the feature sets as most solutions are generally considered mature products now.  Most solutions are capable of handling nearly any tax situation and include full federal support for individual, business, non-profit and other major category tax compliance.  State and local tax form support continues to be a differentiator between solutions.

New for this year, many vendors have focused resources on improving income-splitting to accurately produce separate state returns to meet filing requirements under DOMA.  Some other changes in many systems focused on the implementation of the Affordable Care Act.

Navigation in most systems remains intuitive, with many vendors focusing on consistency with the underlying data input worksheets.  Many vendors, especially in

the advanced workflow solutions, are reengineering data sheets between entity types

One area that has seen continued improvement over the prior year releases is the wide-spread implantation of the Modernized e-File (MeF) platform. All products reviewed support the MeF platform for most business returns. Many vendors have worked diligently to bring this functionality to the individual platform as well. Doing so provides a number of features to tax practitioners. A substantial feature is the ability to electronically file tax returns year-round, even after deadlines have past. The MeF platform does not currently support electronic filing of amended returns, however.

Most vendors have developed self-help platforms that offer simple solutions to common problems. While most vendors still maintain a frequently asked questions page or an up-to-date knowledge base, many have started creating video help. These short videos are perfect for those new to the software, either as a new hire or through software conversions. Many vendors are also integrating chat functions into their software, so practitioners can potentially solve issues while still processing returns and may avoid long phone support wait times.

This year the advanced and traditional workflow solutions each contained two true cloud-based tax solutions. Many of the traditional desktop solutions are starting to increase efforts to be accessed through remote Software as a Service (SaaS) solutions as well. All of these efforts reflect the slow but growing demand for tax practitioners to process returns through multiple access points.

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