



# Sorting Out Software

## Analyzing the results of NATP's annual survey

By NATP Staff Writers

No one ever said choosing the perfect tax preparation software was easy. You may have tried one package; you may have tried several. And over the years, you've learned that the must-have features for one preparer may not matter much to another. We can all agree, however, that what's important is having a package that satisfies both your business needs and your budget.

Finding the balance is key, but for many small practice owners, the increasing cost of tax software is a major concern. NATP member Daniel Drewek of Dearborn Heights, MI, who says the cost of his software rose \$2,000 since 2011, hasn't decided if he'll renew. "After 20 years with the same company, it would be

tough to change," he says. Chris Fitzsimmons, CPA, of Shrub Oak, NY, echoes his sentiments. "Though my current program is very reliable, the price makes it difficult for a small firm to absorb," he says. "That's the primary reason why we consider switching to another tax software program each year," he adds.

But other preparers, like NATP member W. Ray Partain, EA, are willing to pay extra for a more robust program. “Yes. My software is pricey,” he says. “But when I start it up, I know it will operate.” The Anderson, SC, business owner tried a less expensive program five years ago. “It was a disaster,” he recalled, and switched back before the season ended.

Besides price, the accuracy of tax preparation software, its added features and customer service factor into the buying decision. Kathy Mannoia of Kihei, HI, has been using the same program for several years. “I often review other software to be sure that I’m still getting the best results,” she says. “But my current provider offers more than just software. They have online workshops, updates throughout the year, and their tech support is staffed with people who really know taxes,” she adds.

Not every preparer is as satisfied as Kathy, however. Rebecca Benigni, EA, of Newburgh, IN, is disappointed with the functionality of her software program. “This year, the program we’re using had numerous complications with permissions and updates,” she says. “We never knew which workstations would work on any given day. Sometimes it would take 45 minutes to install an update. One update completely brought down our system. Thankfully, there were several workstations that didn’t take the update,” she added.

Like Rebecca, Jordon Saletko of Mount Prospect, IL, is frustrated with his software provider. “Trying to get something changed is hopeless,” he says. “They promise everything and do nothing.”

Tax software packages that don’t meet the business and budgetary needs of users will be replaced. Yet, for numerous reasons, tax professionals hesitate to switch programs. “My wife and I prepare 700 returns per year,” says Brent Rawlings, CPA, from Atlanta, GA, who doesn’t like the price of his current program. “We’re afraid of the challenges of learning new software during tax season,” he adds. “We’re also afraid that the new program may take more time to do the same return compared to our current software.” Debbie Dolan, AFSP, from New Hyde Park, NY, is willing to sample a few programs before making a switch, but is concerned about the transfer of data from one program to another. “I don’t want to have to start from scratch,” she explains. Kendra Lenehan, EA, of Saint Germain, WI, agrees. “Conversions can cost you time and money,” she cautions. “And, you can

always expect errors when using a program you aren’t familiar with.”

The bottom line is that this profession would be difficult to practice without tax preparation software. And changing programs is something few take lightly. If you have a problem with your current software provider, share your grievances with the company and ask what they’re planning on doing to fix the problem. If you don’t receive a satisfactory response, change may be in order. But where do you start?

For 30 years, NATP has gathered information about tax software products and compiled them into a supplement to assist you in making an informed tax software decision. The information we’ve compiled comes from two sources—the software vendors and the NATP members who completed the survey. This year, we received 1,976 member responses to our survey.

Among the 12% of respondents who haven’t decided whether to use the same program again next year is Dominick Concilio of Brooklyn, NY, who has used three programs over the years and tested several others. “I have a broad spectrum of clients,” he says. “One program is fast and easy for individual returns, but I turn to another program for more complex returns because it’s more reliable.” He continues, “The best program for more sophisticated returns is too expensive and too slow to do 1,500 basic returns, so I am currently testing another program to see if it can meet all my needs.” Joseph Filippone, EA, of Hillsborough, NJ, has been a loyal customer for more than 25 years, but says the quality of the technical support he receives from his software provider has dwindled over the past few years. “In our business, time is an important factor and getting help from a half-trained individual isn’t going to cut it,” he explains. In addition, the cost of his software has increased drastically. “It’s time for me to look into another software company that has a proven product and a price that is more cost effective,” he adds.

Following are some of the features that Joseph and others will be evaluating to find the right tax software program for their office.

Software packages generally come in two formats. The form oriented style allows the preparer to complete the return in front of the client, many times with supporting worksheets to list the components that make up a line entry. The preparer is usually able to view the return on the monitor, as it would appear

on paper. Worksheet oriented programs are set up differently by each software vendor. A preparer who is used to working with forms may find this type a little more difficult at first. Some programs allow a 'heads down' form of data entry that requires only a code number for the data field on the worksheet followed by the numeric and/or alphabetic data. This capability allows a skilled 10-key/typist to enter data without being concerned about matching the data fields on the screen with those on the worksheet.

Price is always a crucial consideration. Some software companies include corporation, partnership and fiduciary software, laser software and related state programs for one price, while other companies list them separately. Most software companies offer discounts based on the date the order is placed. Be sure to research what extra features are included in the price of software.

The shipping date is another important factor. The earlier you receive the package, the more time you'll have to work with it before the rush of tax season arrives. Pending tax legislation or legislation passed close to the end of the year can affect the release of forms, which will affect the availability date of some programs. With most packages providing web-based downloads for updates, late-breaking legislative changes are less of a problem. The faster your Internet connection, the less time you'll spend downloading updates.

Changing tax software packages can be more difficult than choosing one for the first time. Many software providers have conversion programs that convert the data from your old program to their program. Just like any other software program, conversion programs may contain bugs. Be sure to verify that all information has been transferred correctly.

Remember, as a paid tax professional, you are responsible for the accuracy of the entire tax return, including the correct reporting of all income and expenses. It's important to keep in mind that tax software is not infallible. It's imperative that you understand the complicated rules of alternative minimum tax, net operating losses and the domestic production activities deduction, to name a few. Some software may require complicated calculations before the correct deduction is entered on the tax return. Relying only on your software and not your knowledge could be a critical mistake. ■

**TaxAct™ Professional**

1425 60th St. NE  
Cedar Rapids, IA 52402  
TaxAct Professional Edition  
319.761.2680  
taxactprofessional.com  
Supports all states

**Wolters Kluwer**

225 Chastain Meadows Parkway  
Ste. 200  
Kennesaw, GA 30144  
ATX  
770.857.5000  
cchsfs.com  
Supports all states

**Wolters Kluwer**

225 Chastain Meadows Ct. NW  
Ste. 200  
Kennesaw, GA 30144  
TaxWise  
770.857.5000  
cchsfs.com  
Supports all states

**Drake Software**

235 E. Palmer Street  
Franklin, NC 28734  
Drake Software  
866.670.8474  
828.369.9928 (fax)  
DrakeSoftware.com  
Supports all states

**Intuit (Lacerte Tax)**

5601 Headquarters Drive  
Plano, TX 75024  
Lacerte Tax  
877.682.4254  
proconnect.intuit.com  
Supports all states

**Intuit (ProSeries Basic)**

5601 Headquarters Drive  
Plano, TX 75024  
ProSeries Basic  
877.682.4254  
proconnect.intuit.com  
Supports all states

**Intuit (ProSeries Professional)**

5601 Headquarters Drive  
Plano, TX 75024  
ProSeries Professional  
877.682.4254  
proconnect.intuit.com  
Supports all states

**TaxSlayer Pro™**

3003 Allen Drive  
Evans, GA 30809  
TaxSlayer Pro  
888.420.1040  
706.868.1955 (fax)  
taxslayerpro.com  
Supports all states

**Thomson Reuters**

6300 Interfirst Drive  
Ann Arbor, MI 48108  
UltraTax CS  
800.968.8900  
800.326.1040 (fax)  
tax.thomsonreuters.com  
Supports all states

**Wolters Kluwer Tax & Accounting**

2700 Lake Cook Road  
Riverwoods, IL 60015  
CCH ProSystem fx® Tax  
800.739.9998  
CCHGroup.com  
Supports all states

NATP conducted this tax preparation software survey to provide our members with valuable, up-to-date information to assist them with the selection of tax preparation software. A 50% random sample of NATP's members received this survey via email (n = 10,461). A total of 1,976 participants completed it for an overall response rate of 19%. A random sample was used because NATP has transitioned our efforts to this type of probability-based sampling, which allows us to generalize our population within a measurable margin of error. Additionally, this type of sampling eliminates any unbiased inferences that can be made from the true population.

Historically, NATP members have been preparing taxes for 29+ years.

We asked participants how many computer-generated 1040 returns they prepared from January to April 2016. 27% responded 100 or less, 19.5% indicated 101–200, 11% stated 201–300, 42.5% indicated more than 300.

When asked about the most important aspect when choosing a software program, reliability received the most responses (48%), followed by ease of use (21.5%), customer support (17.6%) and price (12.9%).

76.6% of respondents either used Drake Software, ProSeries Professional (Intuit), Lacerte Tax (Intuit), Ultra Tax CS (Thomson Reuters), or ATX (Wolters Kluwer). 86% of respondents said they will use the same software program next tax season.

Software brands are included in our survey results if at least 1% of respondents used the program.

Note about e-filing: According to the IRS website, roughly 123.7 million returns were e-filed through May 13, 2016. This represents a 2.6% increase from the prior year. 71.74 million returns were e-filed by tax professionals (a 0.5% increase from last year). 51.99 million were self-prepared returns (a 5.7% increase from last year). ■

## User Responses (1,976)

Satisfaction rating based on a scale of 1–5

1 = Very Dissatisfied  
5 = Very Satisfied

Ease of e-filing
Ease of learning
Ease of working with
Ease of installation
Ease of reviewing return within software
Compatibility with network
Customer support
Technical support
Conversion package
Accuracy of software in regard to state tax law
Accuracy of software in regard to federal tax law
Timely software updates after state tax law changes/updates
Timely software updates after federal tax law changes/updates
Reliability with regard to system bugs, errors, crashes, etc.
Price
Overall satisfaction rating
Percent of respondents who used the program
Customer support is most important factor in selecting a tax software package
Ease of use is most important factor in selecting a tax software package
Price is most important factor in selecting a tax software package
Reliability is most important factor in selecting a tax software package
Percent using same program next year
Percent not using same program next year
Percent undecided

	ATX	Drake Software	Lacerte Tax	ProSeries Basic	ProSeries Professional	ProSystem fx Tax	TaxACT Professional	TaxSlayer Pro	TaxWise®	UltraTax CS
	4.62	4.59	4.75	4.74	4.68	4.74	4.54	4.66	4.46	4.68
	4.39	4.35	4.41	4.45	4.45	4.19	4.50	4.51	4.26	4.08
	4.42	4.34	4.53	4.49	4.50	4.38	4.40	4.47	4.23	4.24
	4.59	4.57	4.57	4.71	4.60	4.35	4.57	4.64	4.33	4.37
	4.50	4.39	4.66	4.51	4.56	4.67	4.53	4.51	4.37	4.46
	4.46	4.44	4.46	4.53	4.49	4.53	4.51	4.49	4.08	4.36
	4.16	4.55	4.21	4.36	4.14	4.31	4.30	4.56	4.00	4.18
	4.25	4.46	4.23	4.43	4.02	4.50	4.20	4.53	4.02	4.18
	3.98	4.26	4.19	4.31	4.02	3.93	3.74	4.21	3.98	4.03
	4.23	4.28	4.36	4.45	4.34	4.37	4.31	4.32	3.96	4.39
	4.56	4.54	4.67	4.67	4.60	4.74	4.52	4.61	4.32	4.58
	4.42	4.50	4.47	4.45	4.45	4.35	4.48	4.56	3.90	4.42
	4.59	4.58	4.62	4.64	4.60	4.67	4.54	4.69	4.23	4.62
	4.19	4.47	4.34	4.35	4.41	4.60	4.33	4.50	4.03	4.24
	4.09	4.54	2.78	3.51	3.38	3.12	4.46	4.49	3.57	3.08
	4.44	4.53	4.31	4.50	4.40	4.45	4.50	4.59	4.08	4.19
	9.60%	37.57%	8.57%	4.04%	16.50%	2.37%	3.77%	3.18%	5.77%	8.63%
	6.40%	27.99%	10.32%	6.67%	7.41%	14.29%	4.41%	27.12%	19.42%	12.03%
	27.33%	14.58%	25.16%	36.00%	28.28%	14.29%	26.47%	25.42%	24.27%	17.72%
	17.44%	12.68%	10.32%	18.67%	8.75%	4.76%	36.76%	13.56%	13.59%	8.23%
	48.84%	44.75%	54.19%	38.67%	55.56%	66.67%	32.35%	33.90%	42.72%	62.03%
	83.91%	95.06%	81.29%	74.67%	83.67%	83.72%	79.71%	86.44%	68.93%	85.35%
	1.72%	1.02%	1.94%	2.67%	1.33%	0.00%	0.00%	0.00%	8.74%	3.82%
	14.37%	3.92%	16.77%	22.67%	15.00%	16.28%	20.29%	13.56%	22.33%	10.83%

Software Vendor  
Software Program

	PRICE 2015 1040 PACKAGE	PRICE 2015 RENEWAL	PRICE 2015 STATE PACKAGE	PRICE 2015 STATE RENEWAL	PRICE 2015 BUSINESS PACKAGE	PRICE 2015 BUSINESS PACKAGE RENEWAL	PAY-PER-RETURN PRICING	LICENSING RESTRICTIONS
TaxAct™	\$589	\$589	included in 1040 bundle	n/a	\$1,099	\$1,099	y	n
TaxAct Professional								
Wolters Kluwer	\$619	early renewal discounts offered	\$1,479	early renewal discounts offered	\$3,599	early renewal discounts offered	y	y
ATX								
Wolters Kluwer	\$549	early renewal discounts offered	included	early renewal discounts offered	\$2,499	early renewal discounts offered	y	y
TaxWise®								
Drake Software	\$1,095 - \$1,495 dep. on pur. date	same as new sale price	included	included	included	included	y	n
Drake Software								
Intuit	—	—	—	—	—	—	y	y
Lacerte Tax								
Intuit	—	—	—	—	—	—	y	y
ProSeries Basic								
Intuit	—	—	—	—	—	—	y	y
ProSeries Professional								
TaxSlayer Pro	\$1,095	\$1,095	included with 1040 package	included with 1040 package	included with 1040 package	included with 1040 package	y	n
TaxSlayer Pro								
Thomson Reuters	\$3,240	\$2,825	\$360 - \$460	\$360 - \$460	\$1,840 - \$2,370	\$1,470 - \$2,000	y	n
UltraTax CS								
Wolters Kluwer Tax & Acct.	call for pricing	call for pricing	call for pricing	call for pricing	call for pricing	call for pricing	y	n
CCH ProSystem fx Tax								



\* SUPPORT KEY: All companies offer phone support. Additional support includes the following as indicated:  
 TF = Toll-Free Number; C = Chat; DB = Discussion Boards; F = Frequently Asked Questions; O = Other

DATE 2015 1040 PACKAGE AVAILABLE	EXPECTED 2016 DELIVERY DATE	NUMBER OF USERS FOR 2015 PACKAGE	% OF RENEWALS FROM 2014 PACKAGE	HOURS SUPPORT AVAILABLE (EST) DURING TAX SEASON	HOURS SUPPORT AVAILABLE (EST) DURING OFF SEASON	NUMBER OF SUPPORT STAFF DURING TAX SEASON	TYPE OF SUPPORT AVAILABLE *	NUMBER OF YEARS IN BUSINESS	MINIMUM RAM RECOMMENDED	PROGRAM SIZE IN MB (federal only)	MINIMUM PROCESSOR SPEED	RECOMMENDED PROCESSOR SPEED
10/20/15	10/16	20,000	—	8am - 10pm sa 9am - 7pm; su 11am - 6pm	9am - 6pm weekdays	—	TF C F O	18	512mb	100mb	800 MHz	1 GHz or greater
11/15	11/16	—	—	8am - 10pm	8am - 6pm	—	TF C DB F	103	4gb	—	intel core Duo or better	intel core i5 or better
11/15	11/16	—	—	8am - 10pm	8am - 6pm	—	TF C DB F	103	1gb	600	800 MHz	2.7 MHz
12/15	12/16	50,000+ tax offices	—	8am - 10pm sa 8am - 6pm	8am - 9pm	300+	C DB F	39	1gb	250mb	1 GHz	2.8 GHz
fall 2015	fall 2016	—	—	9am - 9pm su 11am - 5pm	9am - 8pm	—	TF C DB F O	25+	—	—	—	—
fall 2015	fall 2016	—	—	9am - 9pm su 11am - 5pm	9am - 8pm	—	TF C DB F O	25+	4gb	50mb	1 GHz	2 GHz
fall 2015	fall 2016	—	—	9am - 9pm su 11am - 5pm	9am - 8pm	—	TF C DB F O	25+	4gb	50mb	1 GHz	2 GHz
12/1/15	11/29/16	10,000+	92%	8am - 10pm	8am - 5pm	175	C DB F	49	4gb	750mb	i5 or i7	i5 or i7 or AMD equivalent
11/23/15	11/21/16	104,463	95%	9am - 9pm Jan - Feb 8am - 10pm Mar - Apr	9am - 8pm	—	TF C DB F O	37	2gb	239mb	intel or AMD 2 Ghz 64-bit processor	intel or AMD 64-bit multi-core processor
12/15	12/16	285,000+	98% +	8:30am - 11:59pm	9am - 8pm	350+	C TF F O	103	3gb	100mb +	32-bit 3gb 64-bit 4gb	32-bit 3gb 64-bit 4gb



Software Vendor  
Software Program

Software Vendor Software Program	ADDITIONAL COST FOR ELECTRONIC FILING SOFTWARE	ADDITIONAL COST PER FEDERAL ELECTRONICALLY FILED RETURNS	EXTRA COST FOR E-FILING STATE RETURNS	CONVERSION PACKAGE AVAILABLE	CHARGE FOR CONVERSION PACKAGE	VERSIONS AVAILABLE	RECOMMENDED OPERATING SYSTEM	FORM-BASED, INTERVIEW-BASED, INPUT SHEET, OR OTHER (FB; IB; IS; O)	CLOUD COMPUTING	ALL STATE PACKAGES AVAILABLE	PROGRAM MANAGEMENT TOOLS								
											REPORTS	ORGANIZERS	LABELS	CLIENT LETTERS	SCHEDULING PROGRAM	E-SIGNATURES	DOCUMENT PORTAL	CLIENT PORTAL	MOBILE DEVICES
TaxAct™	n	incl. with bund.	incl. with bund.	y	n	vista win 7 win 8 win 10	vista win 7 win 8 win 10	FB IB	y	y	y	y	y	y	n	n	y	y	n
TaxAct Professional																			
Wolters Kluwer	—	n	n	y	n	win 7 win 8.1 win 10	win 8.1 win 10	FB IB IS	n	y	y	y	y	y	n	y	y	y	
ATX																			
Wolters Kluwer	—	varies	n	y	n	win 7 win 8 win 10	win 8 win 10	FB IB	y	y	y	y	y	y	y	y	y	y	
TaxWise®																			
Drake Software	n	n	n	y	n	vista win 7/win 8/win 10 server 08/server 12 Drake Cloud	win 7 win 8 win 10 professional	FB IB IS	y	y	y	y	y	y	y	y	y	y	
Drake Software																			
Intuit	—	—	—	y	n	—	—	FB IS	n	y	y	y	y	y	y	y	y	n	
Lacerte Tax																			
Intuit	—	—	—	y	n	TY04 - TY15	windows	FB O	n	y	y	n	n	y	n	n	y	n	
ProSeries Basic																			
Intuit	—	—	—	y	n	TY04 - TY15	win 8.1 win 10	FB O	n	y	y	y	y	n	y	y	y	n	
ProSeries Professional																			
TaxSlayer Pro	n	n	n	y	n	win 7 & up	win 7 & up	FB IB IS O	y	y	y	y	y	y	y	y	y	y	
TaxSlayer Pro																			
Thomson Reuters	\$1,500 unlim- ited	\$7 - \$12	incl. with fed.	y	n	win 7/win 8/win 10 win server 2012, 2012 R2 2008, 2008 R2	win server 2012, 2012 R2 2008, 2008 R2	IS	y	y	y	y	y	y	y	y	y	n	
UltraTax CS																			
Wolters Kluwer Tax & Acct.	n	call	call	y	n	win 8.1 win 10	windows	FB IB IS	y	y	y	y	y	y	y	y	y	n	
CCH ProSystem fx Tax																			

LETTER TEMPLATES TO ASSIST PREPARERS WITH §7216 COMPLIANCE	TAXPAYER FEE CALCULATION AND INVOICING CAPABILITIES	BANK PRODUCTS	PROVIDE REFUND OPTIONS FOR TAXPAYERS WITHOUT BANK ACCOUNTS	PROVIDE PREPARER FEE DEDUCTION OPTIONS	PROVIDE ONLINE BACKUP OR OTHER DATA SECURITY FEATURES	FED OR STATE RESEARCH SERVICES	PRIVACY POLICY TEMPLATE	INTEGRATION WITH THIRD-PARTY ACCOUNTING SOFTWARE	OFFER CPE	OFFER PRODUCT TRAINING	OTHER SOFTWARE PACKAGES AVAILABLE															
											1120	INCL. IN PRICE OF 1040 PKG.	1120S	INCL. IN PRICE OF 1040 PKG.	1065	INCL. IN PRICE OF 1040 PKG.	1041	INCL. IN PRICE OF 1040 PKG.	990	INCL. IN PRICE OF 1040 PKG.	706	INCL. IN PRICE OF 1040 PKG.	709	INCL. IN PRICE OF 1040 PKG.	1099 SERIES	INCL. IN PRICE OF 1040 PKG.
y	y	y	y	y	y	n	n	n	n	y	y	n	y	n	y	n	y	n	y	n	n	n/a	n	n/a	n	n/a
y	y	y	y	y	y	y	n	y	y	y	y	n	y	n	y	n	y	n	y	n	y	n	y	n	y	n
y	y	y	y	n	y	y	y	n	y	y	y	n	y	n	y	n	y	n	y	n	y	n	y	n	y	n
y	y	y	y	y	y	y	y	y	y	y	y	y	y	y	y	y	y	y	y	y	y	y	y	y	y	y
—	y	y	y	—	y	—	—	y	y	y	y	—	y	—	y	—	y	—	y	—	y	—	y	—	n	—
y	y	y	y	y	y	y	y	y	y	y	n	n/a	n	n/a	n	n/a	n	n/a	n	n/a	n	n/a	n	n/a	n	n/a
y	y	y	y	y	y	y	y	y	y	y	y	n	y	n	y	n	y	n	y	n	y	n	y	n	y	y
y	y	y	y	y	y	y	y	y	y	y	y	y	y	y	y	y	y	y	y	y	y	y	y	y	y	n
y	y	y	y	y	y	y	y	y	y	y	y	n	y	n	y	n	y	n	y	n	y	n	y	n	y	n
y	y	n	n	y	y	y	y	y	y	y	y	—	y	—	y	—	y	—	y	—	y	—	y	—	y	—