Taxware Inc

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Upcoming Taxware Tradeshows

We look forward to seeing you at the various seminars and trade shows. Some of the dates haven't been finalized but below is a partial list of the upcoming seminars that we will be attending. Be sure to stop by and say hello.

Trade Show Dates

NCPE Las Vegas, NV June 27-28 Keith

NATP July 9-10 Phoenix, AZ Booth 46 Keith/Katie

IRS Forum July 9-10 Orlando, FL Booth 189 Jon/Tony

IRS Forum July 30-31 Grapevine, TX Booth 247 Katie/Val

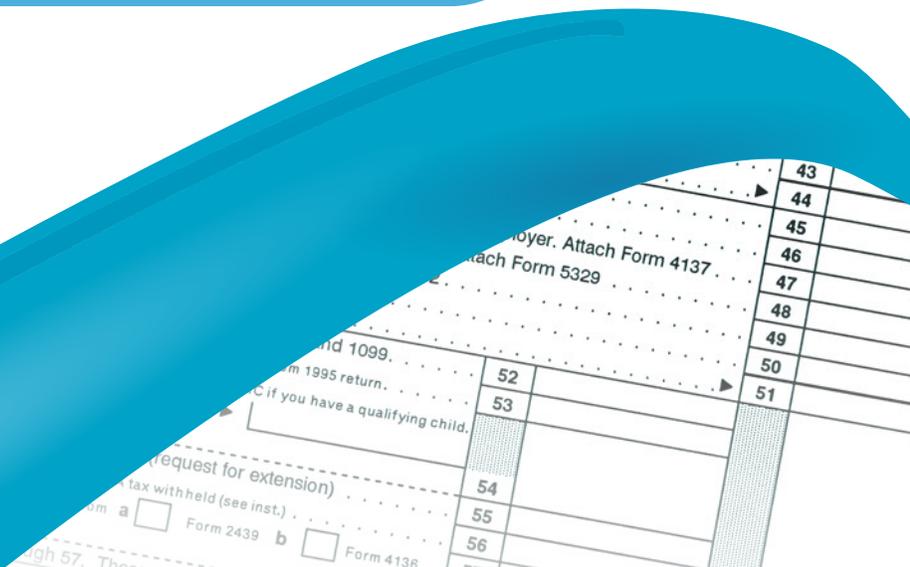IRS Forum August 13-14 New Orleans, LA Booth 349 Tony/Jon

IRS Forum August 20-21 Atlanta, GA Booth 462 Katie/Jon

NATP August 20-21 Las Vegas, NV Booth 30 Keith

Refer A Friend

Don't forget our customer referral bonus: Each referral from you that results in a new customer for Taxware will give you **$100** off of your next year's renewal.

2012 Modernized E-File Review

By Scott Dalton
Vice President Technology

After late sessions of congress and even later implementation of tax law by the IRS, the 2012 filing season got off to a slow start. I am of course very careful not to be too critical of the IRS because I might not get invited to the next party or end up on the audit list. If you are following the news that joke might be funny. Actually in my opinion, working with a new system at full capacity, I thought things went fairly well. They definitely left room for a lot of improvement in many areas but for a first year system it was a decent roll out of a new program.

At the beginning of the tax season we were really starting to get concerned over the volume they would have to handle on opening day. With the IRS late start we were seeing a very large back log of tax returns that were waiting to be sent on our server. It seemed like we all held our breath for a while as those first returns started getting sent. So many unanswered questions like; Is the IRS system going to be able to handle this volume? Is our server going to be able to process and keep up with the sent returns and the new returns coming in? Are the states going to be able to process this volume of returns?

The answer to many of these questions was yes and no, especially when you factor in some of the states. By and large the federal system had a few unscheduled maintenance and outage issues but overall held together. I was extremely happy that we didn't have to revert back to the legacy system like they hinted towards if there was a catastrophic failure. I was very pleased with the performance of our server and processing system. The states overall performed well but there were a few that just couldn't get it together. I don't want to call any states out but if you worked with NY,AZ, HI, LA, DE, VT, and a few others you might have an idea of what I am talking about.

My favorite state response of the year was when we pointed out that a number on the state tax return could be a gain or loss, but they programmed their e-file to only allow for a gain. We asked when they would fix the schema and they let us know that there would be no fix and to just tell clients to paper file.

With the MeF change many of the states that had developed their own transmission systems finally got on board with the Federal/State piggy back system. This made processing states like IL, ME, and MN so much cleaner and easier for everyone. CA and MA continue to be the hold outs and are still making life more difficult than it needs to be. Last year MA didn't have an MeF program but are supposed to be switching this year. They are for whatever reason continuing with their own transmission system so you will continue to need to register with them and use our transmission partner PDI for MA E-File. We would encourage you to contact both CA and MA and urge them to join the Federal/State program.

We have had quite a learning curve here at Taxware too, but I think we were able to adjust the processing system extremely well as the issues came in. An example of an issue we had to work through was that we found out that some of the states didn't format their acknowledgment files in the recommended IRS/TIGERS format. Working with the original submission, we were able to fill in the blanks of the information the states left out so you were able to get good acknowledgment files that could be printed and tracked.

With a tax season under everyone's belt, I think this upcoming tax season will be even better. There will be far less rejects and the validation systems will be stronger and continue to be more accurate. We have many planned enhancements that we will talk more about in our enhancements newsletter. Some of these enhancements include web login and lookup of your tax returns that have been processed through our A2A system, and batch printing of federal acknowledgement files.

The annual IRS software developers conference is later this month so we will keep you posted on any major E-File changes or useful information that comes from that conference.

Taxware Inc. 909-931-3131 info@taxwaresystems.com

Planned Enhancements

2013 IRS 1041 MeF E-File

The next phase of IRS MeF E-File development is the 1041 system. For filing season 2012 and prior these returns had to be filed via the legacy system. This is a direct transmission method that required the five test returns and the hassle of getting things set into a production status with the IRS.

For this upcoming 2013 filing season the 1041 system will be in the new MeF format. It will work the same as the other entity E-File programs. If you are using our A2A transmission system then there is no need to send the test return and get your ETIN placed into production status for 1041 returns. If you are filing direct then you will need to transmit one communications test return to get your ETIN placed into production status.

Preparing, transmitting, and tracking the return will function the same as in the 1065/1120/1120s programs. We have been waiting for the IRS to come out with the 1041 MeF program for several years. Now that they have we have a number of enhancements to apply to the 1041 program and are excited to get rolling on them.

This year we have a lot of enhancements going into our systems. In our next newsletter we will go into detail on those finalized enhancements but we did want to give you some quick highlights.

- A2A file multiple year functionality.
- Master tax menu and Taxware webpage can now open a client tax return listing of your tax returns processed through the A2A system.
- 1041 new look and functionality with new MeF capability.
- Entity print will no longer require a PCL compatible laser printer. We are finished with this for the 1041 system and are going to post an update in about week so that we can get some real world testing into the new print solutions.
- Ackfile batch print for 1040 A2A systems.
- Adding access to the 568 from the 1040 system.
- Print/Preview access in the entities forms and schedules.
- Adding several additional statements like gross receipts to the entities.
- State selection and states used listing in the entities.(these are now included in a posted update)
- Enhanced depreciation assets lookup which include filters based on tax carry code types.
- Depreciation year end update will ask what the default state 179 max value is.
- 1065 K1 lookup for tax matters partner.
- Entities will now have a searchable business activity code lookup.
- Add E-File of form 7004.
- Ending inventory will carry automatically to the balance sheet.
- In the entities there is a new other deductions line for meals and entertainment that will ask if you want to split and carry to the balance sheet.
- Prior year 1040 recall will include a yellow indicator triangle for the other statements used.
- 1040 line input and forms and schedules will include a list of forms used in the prior year.
- Combine and clean up the 1099R and 1099RI menu.
- 1040 will now store and restore deleted/inactive dependents.

Welcome Keith Wall

Taxware is happy to have Keith Wall join the team. He brings years of customer service with a great personality that I am sure you will all enjoy working with. He has worked many years for Taxworks/Redgear. He brings a lot of great ideas and real world knowledge to the systems that we are excited to have.

Many of you will get to meet him at the upcoming trade shows. Come by and introduce yourself.

Additional Support Tools

If you are not currently registered with the users section of our website we highly recommend that you register. This is a self registration process and you select your username & password. This gives you access to our message boards which are divided by program type. Questions are answered by us as well as other clients that may have insight on something you are working on 24/7.

Registering also signs you up for automatic email notifications and newsletters. If you received this newsletter via e-mail then you are registered. This was really a huge benefit to our clients last year. The IRS had a couple of issues with their servers last year and within moments we were able to send an email out to provide that critical information to you. We also made a couple of large programming changes that we were able to keep you in the loop about. We do not send very many e-mails but when we do it's important information we need to get to you quickly.

There is also an Updates area where updates can be manually downloaded. Even more important, it lists the latest version dates of each program so that you can easily verify that your program is current.

TWCommCenter is a great tool to keep in touch with your clients, but it's also a great tool to automatically attach data for a 1040 tax return and send it to us at the support email address. This automatically generates a support ticket to be followed up on. When emailing us it helps us out a lot if you include clear detailed information regarding that return.

We still use faxes for support. Having a visual copy of the form with your notes on what your concern is helps your support technician to be able to research and correct issues much faster. Of course if you prefer to scan your noted document and email it to us as a PDF that will work as well. Our dedicated support email address is support@taxwaresystems.com   Our goal is to address your concerns as well as provide and update as quickly as possible.

Welcome Jon Wall

Taxware is happy to have Jon join the team. He comes with years of support experience working with Taxworks/Red Gear. He has a great personality and I am sure you will all enjoy working with. Many of you will get to meet him at some of the upcoming trade shows. Come by and introduce yourself.