

# Taxware Systems

November 2010 Newsletter

Nov. 26 2010

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## **PRESIDENTS CORNER**



We hope your last tax season went well and was profitable for you. The new features we added have made a substantial difference and we look forward to the enhancements for 2010. I have gone paperless using the TWPDFDocArk feature and love the new capabilities. I'm looking forward to the bar code scanner for W-2 forms that should save a significant amount of time.

There has been significant progress in our support capabilities. Webinars have been going throughout the off season, several instructional videos have been added to the website, and our added staff have been able to "look" at your computer when analyzing problems.

We wish you a very merry Christmas and a great tax season.

## **PROFORMA ORGANIZER**

The Proforma Organizer has been updated for the 2010 tax season. If you are currently registered through our website, and we have your current e-mail address, then you should have received an e-mail notification with the download links. If you didn't receive an e-mail notification, please go to our website and get registered. This also enables you to use all of the additional support tools available to you on our website.

The proforma download link is:

[www.taxwaresystems.com/ftp/wintax/10proforma.exe](http://www.taxwaresystems.com/ftp/wintax/10proforma.exe)

If you are not able to download files or would like a hard copy CD feel free to get in touch with us and we can send it out upon request.

## **TRAINING SEMINAR**

Our annual client seminar dates and location have been finalized. We really encourage you to attend especially if you are a new client. It gives us an opportunity to meet you and personalize our partnership in the tax industry.

We will hold the seminar at the same location as last year, the Best Western Heritage Inn on January 6th through January 7th 2011. The first day will cover tax, depreciation, some enhancements, and software changes. The second day is a half day seminar to go over electronic filing use and getting approved through the IRS and FTB systems.

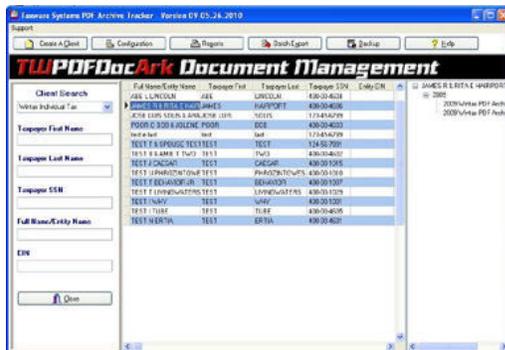
As always the cost is minimal and simply offsets the conference room and food. Please use the attached registration form to get registered.

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Upland, CA 91786  
909-931-3131  
[www.taxwaresystems.com](http://www.taxwaresystems.com)

## TWPDFDOCARK

We are excited about the new TWPDFDocArk program. The client look up and file tracking is a lot more powerful and overall is far more user friendly. The program will help to increase your paperless office efficiency. Everything is done at the client level now. This makes the client's information cleaner and more organized. The search engines are extremely fast. Tax integration is more user friendly, includes entity integration, and doesn't require the program to actually open so the speed is virtually instantaneous.

If you are interested we would be happy to send you a demonstration version of the program. There is also a video on how to use the program in the videos section of our website. If you are thinking about going paperless or just want the additional PDF and other document capabilities such as encrypted email, check it out.



## AUDIT GUARD AND OTHER PARTNERSHIPS

### Audit Guard

Some of our clients have recently asked about audit guard recommendations. In the client billing information there is a new button in the tool bar called "Audit Guard". If this is selected it will open the Audit Guard Website and add their \$30 fee to your client billing information. To learn more about audit guard protection or to register with them visit them at their website listed below.

[www.taxauditguard.com](http://www.taxauditguard.com)



PROFIT DEVELOPERS, INC.

### PDI

Profit Developers Inc. is a company that provides additional e-file transmission options. They provide a powerful transmission program that will directly integrate with our tax programs and file your returns electronically. This third party system provides clients that struggle with the getting approved process or working with the IRS an additional e-file option. They have tiered return pricing and unlimited return option pricing. They can send 1040 as well as entity tax returns. 800-270-3643

[www.profitdevelopers.com](http://www.profitdevelopers.com)



### The Tax Book

We added this research guide link to the Wintax program. If "TheTaxBook WebCD" has been installed on your computer, this button will be enabled automatically. For Taxware clients they will sell the WebCD for \$59. Contact them and let them know you are a Taxware client to receive your discounted rate. [www.thetaxbook.com](http://www.thetaxbook.com)

We are still getting all of the details but this year they also added a web based system. After you open their website you can login and search for content without installing anything to your computer.



## ENHANCEMENTS

Our goal is to consistently make the software better. I won't cover every enhancement to systems here. There are many internal additions to the system such as many state ELF additions like MN, PA, KS, and KY. The 1st release letter will give a more itemized list of internal additions. Here are a few that we thought you might like to be aware of.

**Tax Reports** This is in addition to Taxbase. We are adding reports to this section all the time. One of the latest is an interface with Refund Advantages distributive report that will enable you to match up actual money that was disbursed. This will be a great report to help determine preparer productivity. These built in reports are finished and ready to release with the 2010 Wintax program. They are accessed from "Reports/Letters" in the tax start menu. Various client listings have been added including a grouped listing by preparer as well as reports to show new and lost clients. All of the new reports can easily be exported to various document formats.



**2D Barcode Scanning** This year the SSA developed a 2D barcode system for filing W2's and W3's. This is exciting because it opens the door to scan W2's that a taxpayer would bring into your office and save a lot of data entry time in a more error free system.

We have adapted that technology so that either the W2 can be scanned directly into the W2 input section of the Wintax program, or if its a new client, the tax return can actually be started by scanning a W2.

The SSA's 2D barcode program is optional so its hard to say how many companies will participate but the potential is very exciting. To read a barcode you will need to purchase of a USB 2D scanner and they go for around \$200 to \$300 dollars. Without knowing how many W2's you will see this year with a 2D barcode on it, it might be a good idea to wait and see how many of your clients bring in a W2 with a 2D barcode prior to purchasing one but its an exciting option.

Make sure the one you buy is capable of reading 2D PDF 417 barcodes. At Taxware we use a Metrologic model 1690. Here are a couple links for good deals on barcode scanners.

[www.barcodegiant.com](http://www.barcodegiant.com) or call Forrest James at Vantage ID 619-754-4017

**Entity Electronic Filing** Federal entity electronic filing has been available for 1120 returns since 2008 with addition of the 1120s in 2009. This year we will have the 1065 system available. With the IRS's Mef system, having an e-services account with the IRS is mandatory. When you set up your account make sure you make the selection to e-file 1120's and 1065's. We would actually recommend that you select them all so that when we add additional options like the 1041 you won't have to modify your e-services account.

If you are interested in e-file entities please watch the video for the 1120 e-file system located in the videos section of our website. To send these returns it uses the IRS IFA system which is a different system than what you are currently used to for filing your 1040 returns. We have also added a direct interface with PDI for transmitting the entity returns if you have trouble with the IRS or the IFA system they have set up.

There have been some questions about e-filing the 1041 system. For this year it will not be available. Some lower level IRS seminars have been pushing this as mandatory if you file over 100 returns. We have had conversations with the IRS e-file department and it is NOT the intent to mandate you to e-file a few 1041 returns if you do more than 100 1040 or other return types.

Entity e-file is moving forward but without the faster refund incentives attached to a 1040 return, our clients still seem to prefer to put a stamp on the return and send it via mail. This in general seems to be less work for you verses the additional sign-up, costs, and verification of e-file approval.

Its hard to believe but the IRS developed the 1041 e-file program under the legacy system. We are hoping they switch this to the new Mef system next year so we don't have to develop it, throw it away, and develop it again when they switch to Mef.

## **ENHANCEMENTS CONTINUED**



**Wintax New Year Wizard** For those using Wintax for the first time or existing clients that don't use the Master Tax menu, there is a new office setup wizard. The program will take you through areas that need to be set up before doing tax returns. These items are ERO, transmitter, preparer(s), billing information, print setup and system defaults.

The wizard in one place will lead you through the items that need to be setup once a year. As the program comes up the wizard will open automatically unless you have used the master tax menu to recall all these items from the prior year. After these items are setup you can still use the wizard to modify any of these configuration items by going into the defaults and settings menu and clicking the "New Office Wizard" button in the upper left toolbar.

**1040NR** We have added Form 1040NR to Wintax. It is accessible from the Forms and Schedules menu or Line Input. A checkbox at the top of the 1040NR menu is used to toggle it on or off. All information that is unique to the 1040NR is entered in this menu. Once this information is entered, everything else is done automatically. There is no additional setup needed for print or billing.

## **NEWS TO BE AWARE OF**

### **IRS PTIN Registration**

**EVERYONE (REGARDLESS OF WHETHER YOU HAVE A PTIN OR NOT) HAS TO REGISTER THEIR EXISTING PTIN OR APPLY FOR A PTIN WHICH WILL THEN BE AUTOMATICALLY REGISTERED.**

A preparer must have met their personal filing requirements and previous balance due (installment agreement or made arrangements to pay in compliance from a legal perspective) in order to obtain a PTIN.

The IRS issued proposed regulations on July 22nd regarding PTIN registration:

Changed the renewal period to be on an annual basis

Established that the registration fee to apply for or renew a PTIN is:

Total Fee is \$64.25 and is payable on the final screens of the PTIN registration.

The desire is for the cost to simply cover the program and no more. On the new PTIN application (W7P) there will be additional questions not present on the original application. Professional Status, Tax Compliance, Criminal Background (ability to explain circumstances) but the fitness to practice guarantee must be met. Because Enrolled Agents already pay a fee every three years the IRS is considering lowering the fee significantly (termed as a credit) to offset this PTIN fee for EAs.

**Competency Testing (not required if you are a CPA, EA or Attorney)- We are partnering with ExamMatrix to help all our clients pass this test. Ask us for details.**

- Testing will not be available until the middle of next year (approximately June 2011) and the test will have to be passed before the end of 2013.
- **Once the test is available the preparer will have to pass a test before they can get a PTIN. (Hint: Registering a PTIN prior to the 2010 tax season is a safe way to ensure that you have 3 years to pass the test and still practice those 3 years if you do not pass the test the first time).**
- There will be aids provided to assist with what would otherwise require certain computations.
- There will be a fee to take the exam.
- If you pass the exam the first time that is the only fee you have to pay.
- Testing will be provided by a third party vendor who has physical office locations all over the country and internationally.
- The test will be open book-- meaning if you have materials with you to prepare a return those are the materials you would be able to use to work on the exam (no live support).
- The test will be proctored and online. It will be necessary to provide proof of identity.
- A "Passing Grade" has not been determined at this time.

(Notes are taken from the IRS website and the IRS live webinar on the new tax preparer requirements. Contact the IRS or see the IRS website for clarification and finalized requirements.)

# TAXWARE SYSTEMS, INC.

## ANNUAL TAX SEMINAR

January 6<sup>th</sup> & 7<sup>th</sup>, 2011

To be held at:

Best Western Heritage Inn  
8179 Spruce Avenue  
Rancho Cucamonga, California, 91730  
(909) 466-1111

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APPLICATION FOR JANUARY 2011 TAX SEMINAR  
**PLEASE MAIL OR FAX TO THE ADDRESS LISTED BELOW.**

Please type or print the required information.

USER NUMBER \_\_\_\_\_

COMPANY NAME \_\_\_\_\_

CONTACT PERSON \_\_\_\_\_

SIGNATURE \_\_\_\_\_

Please indicate **how many** from your office will be attending each day:

\_\_\_\_\_ January 6<sup>th</sup> 2011 (full day)

INDIVIDUAL TAX PREPARATION: \$70 per person for full day tax seminar, dedicated to program use, changes in tax law, etc. with breakfast and lunch included, beginning at 9am, and ending after 4.

\_\_\_\_\_ January 7<sup>th</sup> 2011 (half day)

ELECTRONIC FILING: \$35 per person for half day electronic filing seminar, featuring procedures and requirements, with breakfast beginning at 9am and finishing at noon.

Please select a method of payment:

• I have enclosed a check for the amount needed \$ \_\_\_\_\_

• Please charge my credit card account for the amount needed \$ \_\_\_\_\_

Card type: VISA or MASTERCARD Billing Zip Code \_\_\_\_\_

Name on Card \_\_\_\_\_

Credit Card Number \_\_\_\_\_

Expiration Date \_\_\_\_\_ CVS Code \_\_\_\_\_

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**Best Western Heritage Inn  
8179 Spruce Avenue  
Rancho Cucamonga, CA 91730**

The Best Western Heritage Inn is the only hotel in the heart of Rancho Cucamonga! Our guests will enjoy a centralized location, superior amenities and unbeatable customer service, all for an affordable rate. Our hotel is 100% non smoking with 115 guest rooms and suites for guests choosing.

- Complimentary Continental Breakfast
- High Speed Internet in all guest rooms, Business Center, and Meeting Rooms
- Refrigerator, Microwave, Coffee/Tea maker, Iron & board, Hair dryer in guest rooms
- Pool, Spa & Fitness center on property
- Guest Laundry facilities on property
- Cable satellite television with HBO, CNN & ESPN

**Taxware Systems**

**\$ 74.00 Room Rate**

The above rate does not include 10% tax.

We also extend to **Taxware Systems** discounted rates for meeting and banquet facilities. We offer 3 beautiful meeting/banquet facilities for a total of 2000 sq. feet, perfect for events of 2 to 175 people. These facilities are versatile and ideal for Receptions, Parties and Business meetings. When booking these facilities we are happy to assist you in catering and event planning. We extend an open invitation for you to visit and personally view our lovely property.

For reservations or further information, please call Connie Huang, Sales Manager  
(909) 466-1111 phone, (909) 466-3876 fax