

TAX PREPARATION RESOURCES – Speaker Notes

April 8, 2019

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The main goal tonight for me is to briefly share some online resources and let members give their experiences through a series of questions I prepared.

SELF-PREPARED: On-line and computer-based tools

ONLINE TOOLS

Browser search: free tax preparation

(see limits on income, generally \$66K or less for these tools)

IRS site that has many free resources for prep, filing, and extensions

<https://www.irs.gov/filing/free-file-do-your-federal-taxes-for-free>

List of many free & to pay for prep/filing tools from the IRS website:

<https://apps.irs.gov/app/freeFile/jsp/index.jsp>

Example: TaxAct tiered pricing

The screenshot shows the TaxAct website's pricing page. At the top, it says "TaxAct has you covered, no matter what." Below this, there are four columns representing different service tiers:

Tier	Price	Key Features
I ♥ Free	\$0	Fast, free filing for simple returns. Includes retirement income. (New 1040)
Basic+	\$14 ⁹⁵	Filers with dependents, college expenses and more.
Deluxe+	\$47 ⁹⁵	Homeowners, deductions, credits and adjustments.
Premier+	\$57 ⁹⁵	Investments, rental property and prioritized support.

Each tier includes a "More Detail" link and a note that "State additional" charges may apply.

COMPUTER-BASED TOOLS

Browser search: computer based tax programs

7 Best Tax Programs of 2019: Reviews

The Balance website

<https://www.thebalance.com/best-tax-software-programs-4154205>

Best overall: TurboTax (has online and computer-based versions): My investment institution offered Premier to me free of charge

Runner-up, Best overall: H&R Block

Best Bargain: TaxAct Premium

Best Free Software: Credit Karma (prep & filing: limited to simple 1040EZ and 1040A returns)

Best Wizard: Jackson Hewitt Premium

Best Simple Data Entry Option: TaxSlayer

Best for Savvy Tax Filers: Liberty Tax

<https://www.pcmag.com/roundup/167894/the-best-tax-software>

PC Mag included above plus FreeTaxUSA

PAID PREPARERS – Enrolled Agents, CPAs, and other recognized credentials

<https://irs.treasury.gov/rpo/rpo.jsf>

IRS SEARCH, with options: Country, distance from zip code, credentials including:

- Attorney Credential
- Certified Public Accountant Credential
- Enrolled Agent Credential
- Enrolled Actuary Credential
- Enrolled Retirement Plan Agent Credential
- Annual Filing Season Program Participant

647 Enrolled Agents within 10 miles of my San Jose zip code
>1000 CPAs

Enrolled Agents – Licensed by the IRS. Enrolled agents are subject to a suitability check and must pass a three-part Special Enrollment Examination, which is a comprehensive exam that requires them to demonstrate proficiency in federal tax planning, individual and business tax return preparation, and representation. They must complete 72 hours of continuing education every 3 years. Learn more about the Enrolled Agent Program.

Certified Public Accountants – Licensed by state boards of accountancy, the District of Columbia, and U.S. territories. Certified public accountants have passed the Uniform CPA Examination. They have completed a study in accounting at a college or university and also met experience and good character requirements established by their respective boards of accountancy. In addition, CPAs must comply with ethical requirements and complete specified levels of continuing education in order to maintain an active CPA license. CPAs may offer a range of services; some CPAs specialize in tax preparation and planning.

PTIN Holders – Tax return preparers who have an active preparer tax identification number, but no professional credentials and do not participate in the Annual Filing Season Program, are authorized to prepare tax returns. Beginning January 1, 2016, this is the only authority they have. They have no authority to represent clients before the IRS (except regarding returns they prepared and filed December 31, 2015, and prior).

understanding unlimited and limited representation credentials:

<https://www.irs.gov/tax-professionals/understanding-tax-return-preparer-credentials-and-qualifications>

A member told me that enrolled agents are generally less costly than CPAs.

QUESTIONS FOR MEMBERS:

1. Has anyone found tax preparation and filing (federal, state, or both) for incomes > \$75K that is completely free?
2. Who self-prepares?
 - How do you do it?
 - What software do you use (or paper forms)?
 - Why do you self-prepare?
3. If you pay someone, who do you use?
 - Why do you hire someone rather than self-prepare?
 - Is your preparer a CPA, enrolled agent, or ?
 - Who uses a free volunteer org; which one ?
 - How did you find your preparer?
4. Do you estimate the following year's taxes?
 - If so, when do you do that?
 - What tools do you use?
5. Does anyone file taxes in multiple states, foreign countries, for a business or trust, other complexities?
 - What do you use?
6. What was your biggest surprise when preparing taxes this year?