

President's Corner: March, 2016

Tax Software

By Eric Moore

Tax season is upon us, so I thought I would write a quick review of the software I use to prepare my tax returns. I will also present on this product on March 12 with a live demonstration.

I have been using H&R Tax Software for the last five years. I had no particular reason to choose it over competing products, aside from the reasonable price. I paid \$42.50 for the 2015 Deluxe edition, which includes state filing. I pay no fee for electronically filing my federal return, but I do pay \$19.95 to file my state return. The price for state filing is pricey, but it does save me the time and trouble of preparing a paper filing with the necessary attachments and making a trip to the post office to drop it in a secure mailbox. I can also easily save copies of my completed returns as PDF files for future reference.

My tax situation is quite simple, as I take the standard deduction, own no real estate or other investments (outside my retirement accounts), have no dependents, and am not self-employed. However, from what I can see, the software is exhaustive in covering all situations from dependents, to charitable donations, to itemized deductions, to other items such as accounting for overseas assets. For those who have their own business, the Premium and Premium & Business editions are provided. (click [here](#) for the list of products and features.)

Instructions are provided within the software to guide me through the process of submitting a return. However, as my needs are simple, I rarely click the links for additional information or explanation, as the software guides me step by step through the process, from entering my personal information and W-2 to finalizing, double-checking, and submitting my return. As I work through the details of my withholdings, retirement contributions, and qualified deductions, the software maintains a dynamic update in the upper left how much I owe or may claim as a refund. Going back to a previous step is sometimes a little clumsy, as I may need to jump through some intermediary steps to make a change or correction and see the updated amount I owe/can claim, but is tolerable in my opinion. I do like the fact that the program will automatically confirm how much of my IRA contribution is deductible and whether I qualify for the saver's credit and EIC. It will also warn me of any irregularities or possible problems in the numbers I provide. Lastly, the program correctly computes the numbers, which mitigates mistakes I may make on the paper form, such as math errors, and copying my gross income rather than my adjusted income from page 1 to page 2 of the 1040A form (a mistake I made many years ago, but fortunately caught before sending a hefty tax payment to the IRS). I have worked through the paper form as well to compare with the H&R software and am glad to say the two agree as to exactly how much I owe or may claim for my refunds.

Once I submit my returns, the time for confirmation of their acceptance is about one day. The time until I receive the direct deposit of my federal refund is about two weeks. I do not claim a return from state (if applicable), but rather donate it to some of the charitable organizations listed on the state return, so I have no idea how much time is required for deposit of the state refund.

As I previously mentioned, this is the only software that I have used. I may be nearsighted in not comparing the cost of H&R Tax Software with other competing products and online services, but I am pleased with the convenience it provides. I do recommend it as a product to consider if you are looking for an option to electronically prepare your taxes.