

Tax Tips

What to Look for in Online Tax Prep and Filing Software

(NAPSA)—You may have a less taxing time this April if you let computer software do much of the hard work filing with the IRS.

You won't be alone. According to IRS data, more than 68 million tax returns were filed electronically last year, with more than 17 million taxpayers filing their own returns online.

"There are a number of benefits that online tax prep and e-filing offer but you should do a little bit of homework first to get the greatest value for your dollar," said Debra Gray, tax software manager for CCH.

According to Gray, some of the questions you should look to answer are:

Is the software easy and secure?

Online software can save time because you don't have to download it to your computer. Make sure, however, the program is easy to navigate, helps you organize your information and provides the support resources you need to complete your return, as well as encrypting your data using recognized security standards.

Can you work at your own pace?

Online tax preparation sites let you password protect your work, logging back in as often as you need. Make certain the program also automatically checks for

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errors or oversights and provides links to the problems for quick correction of potentially costly mistakes.

What becomes of your return after you file?

Make sure the program maintains a record of your prior year's return, so you can roll over basic information from one year to the next.

Does it clearly show the cost of preparing and filing your returns?

Navigating the add-on pricing structure used by some tax software providers can be taxing in itself, with some promoting a federal price or free federal filing but not clearly indicating added costs for completing a state tax return. According to Gray, most do-it-yourself taxpayers should be able to find a good tax program for under \$40, including costs for preparing both a federal and state return and e-filing the returns.

What are the payment and refund options?

Many sites let you deduct the cost of using their program from your expected tax refund and allow direct deposit of your refund into your bank account, for even faster access to your refund.

What are the help and support options?

Ideally, the program should be straightforward but you will want this safety net, so make sure the tax program offers support features via e-mail or live online chat.

"Taxpayers who have been trying to complete their returns using pencil and paper or have been frustrated by the tax software programs they've used in the past, really owe it to themselves to take a look at the features available in online tax software this year," said Gray. "Preparing taxes isn't how most people want to spend their time, but if they're using the right tools, they can save time completing their returns online. As an added bonus, they will likely learn a few things that can help them save even more on their taxes this year and beyond."

You can learn more about using online filing from CCH CompleteTax, an online tax preparation and filing service created by experts in tax law and software. It can be found at www.completetax.com.