

Cost of Electronic Filing

A report in the October 2006 issue of the *Journal of Accountancy* published by the American Institute of Certified Public Accountants provides a comparison of the most common Tax Software packages used by tax preparers and CPAs. See <http://www.aicpa.org/pubs/jofa/oct2006/zarowin.htm>. According to their survey, all programs include electronic filing functionality at either no cost or a nominal fee.

| Software Program | Electronic Filing Software | Fee—federal electronic filing | Fee—state electronic filing | Notes |
|---------------------------|----------------------------|---|---|---|
| ATX | Included | No fee | No fee | |
| Drake Software | Included | No fee | No fee | |
| GoSystem Tax <i>RS</i> | Included | \$5 per return | \$3 per return | |
| Lacerte | Included | \$2 per return | \$2 per return | Or \$950 unlimited |
| ProSeries | Included | \$3 per return | \$2 per return | Or \$150 unlimited |
| ProSystem <i>fx</i> Tax | \$100 extra (\$50 state) | \$3 per return | \$3 per return | Or \$1000 unlimited |
| TaxACT Preparer's Edition | Included | \$0 to \$7.95 per return, based on volume | \$0 to \$3.50 per return, based on volume | Free after 100 returns or \$350 unlimited federal or \$150 unlimited state. |
| TaxWise Power Package | Included | Free to \$4.00 per return | Free to \$1.00 per return | |
| TaxWorks | Included | \$1.50-\$3.00 per return | \$1.50-\$3.00 per return | |
| UltraTax CS | Included | \$2 per return | \$1 per return | |

The survey showed that each year, as users become more technologically sophisticated, more of them file tax returns electronically. This year (2006) 55.5 percent of federal returns were e-filed, up from 43.3 percent last year. The percentage of state e-files also rose, to 48.3 percent from 38.6 percent. See Exhibit 6 (http://www.aicpa.org/pubs/jofa/oct2006/zaro_ex6.htm).

The survey also indicated that 26 percent of respondents charged clients for e-filing services, and next year that percentage will rise to 30.8 percent. See Exhibit 5. (http://www.aicpa.org/pubs/jofa/oct2006/zaro_ex5.htm)

The National Society of Accountant's 2005-2006 Income and Fees & Salary Survey revealed the following:

- 85.4 percent of accounting practices offer electronic filing to their clients.
- 73.8 percent of the returns that can be filed electronically are.
- 28.2 percent charge their clients a separate fee for electronic filing.
- 11.2 percent charge a fee for clients who decline to file electronically.
- The average fee in the South is \$26, the national average fee is \$23.

See <http://www.nsacct.org/uploadedFiles/members/NSA%20National%20Regional%20and%20State%20Fees%20Tables.pdf>