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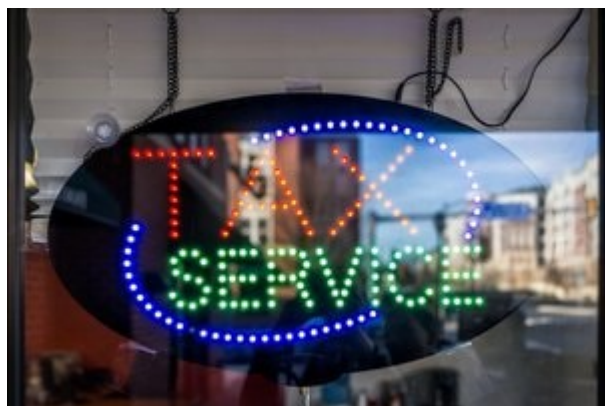
Tax Prep Costs: What It Costs to Get Your Taxes Done

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29 min read

According to the IRS, 92% of tax returns were e-filed. Of those, taxpayers prepared 40% and professionals prepared 60%.



Tax season - the holiday hangover we love to hate.

However, technological advances have made it easier for people to prepare their own taxes and bypass expensive tax accountants.

Here is a rundown of tax-preparation software and tax-preparation services (including reviews and costs) to help you find the most effective method to file your taxes.

Tax-Preparation Options - Overview

Tax-preparation options range from paper forms to full tax-preparation services:

- DIY with paper forms, fillable forms or e-filing sites which are free to use
- Software or online-subscription services
- Tax preparers
- Tax accountants

DIY methods - paper forms, fillable forms, e-filing sites

The advantage of DIY options is that they are free.

The disadvantage is that you have to know what you're doing because most provide no help.

Free software and services are usually limited to those whose income doesn't exceed a certain amount or whose tax return comprises only simple forms.

Some sites, like Credit Karma, support more complex returns and are free. However, they harvest a lot of sensitive personal data (to sell in exchange for providing that free service).

Paid software or online-subscription services

Tax-preparation software and online-subscription services offer more assistance.

Services and pricing vary widely. Some include wizards that offer a structured interview and input your answers into tax forms. Others allow you to view and work with the forms yourself.

Check the features carefully before committing: Some services let you get part way through your return and then tell you that you'll need to upgrade to a more expensive version in order to finish. Some only determine the price at the time of print or e-file.

NOTE: All services and prices listed here are subject to change without notice. The only way to be sure what you're getting is to visit each company's website to confirm

Tax preparers

In-person tax preparers are great for those who don't want to do the work themselves.

If you are not confident in your tax skills or don't want to be bothered with preparing your own taxes, a tax preparer can save you some headaches.

Tax preparers, such as the seasonal people at Liberty, H&R Block® or Jackson Hewitt, take a tax course and may have to pass a licensing exam (if required in your state). These firms also employ tax accountants with more experience and education for complicated scenarios.

Tax accountants

Tax accountants, including CPAs, can help you with tax planning.

Tax planning helps you minimize your future tax obligations. Planners can help you choose tax-sheltered investments, for example, or help you structure your debts to take advantage of tax laws. They can help self-employed individuals maximize their legal deductions.

Tax accountants also have the know-how to prepare complicated returns for businesses, corporations, partnerships, non-profits and trusts.

Free Online Tax-Prep Options

You can do your own taxes by picking up forms from your post office or library, filling them out and mailing them in. But almost no one does this anymore because you can file online for nothing. No wasting time, gas or postage.

VITA program

If you're eligible, you can actually get free tax assistance from a human preparer, courtesy of the Volunteer Income Tax Assistance (VITA) program offered by the IRS. Those whose income is \$56,000 or less, or have disabilities, or have limited English-speaking ability can get free, basic income-tax-return preparation and electronic filing.

Many tax software companies offer free programs through the IRS Free File program. Tax experts recommend accessing your program through the IRS website to avoid accidentally ending up in a different program. If your income is too high to qualify for free tax-preparation subscriptions, you can still access free fillable tax forms.

Use the IRS Free File Software Lookup Tool to find free federal- and state-return options. It eliminates services for which you're not eligible. This is important because one of the biggest causes for complaints from consumers is that they started a free file and then were directed to pay for an upgrade to finish the return. Here are the free options:

CreditKarma.com

<https://www.creditkarma.com/tax/>

Free filing for most situations, interview-like interface; but they collect "information that identifies you or individuals in your tax household personally, such as name, address, phone, social security number and government-issued photo identification" for online marketing.

CreditKarma.com Version	Federal Return Cost	State Return Cost
Free (all returns)	\$0.00	\$0.00

eFile.com

<https://www.efile.com/>

Standard deduction only for filers with \$100,000 or less, no dependents and no more than \$1,500 in interest income. No customer support. One-star rating by user reviewers.

eFile.com Version	Federal Return Cost	State Return Cost
Free (unlimited state returns)	\$0.00	\$28.95

eSmart Tax

<https://www.esmarttax.com/>

Best for simple returns with W-2 income only, no schedules including itemized deductions.

eSmart Tax Version	Federal Return Cost	State Return Cost
Free (simple returns)	\$0.00	\$29.99

Etax.com

<https://www.etax.com/>

Interview-style preparation. The most basic tax return for single or married taxpayers without dependents who also need to file a state tax return.

Etax.com Version	Federal Return Cost	State Return Cost
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Etax.com Version	Federal Return Cost	State Return Cost
Free (simple returns)	\$0.00	\$29.95

ezTaxReturn.com

<https://www.eztaxreturn.com/>

ezTaxReturn.com Version	Federal Return Cost	State Return Cost
Free	\$0.00	\$19.95

Free1040TaxReturn.com

<https://free1040taxreturn.com/>

Must be age 70 or younger and AGI \$66,000 or less, and live in any state except DC, FL, IN, NH, NM, SD, TX, or WA. One-star rating by user reviews.

Free1040TaxReturn.com Version	Federal Return Cost	State Return Cost
Free (simple returns)	\$0.00	\$0.00

FreeTaxUSA.com (Tax Hawk)

<https://www.freetaxusa.com>

<https://www.taxhawk.com/>

1040, 1040EZ, 1040A, 1040Z, Schedule A, B, C, D, E, EIC, F, Form 1099-A, 1099-B, 1099-C, 1099-DIV, W-2 and self-employment income. 3.5 stars by user reviews.

FreeTaxUSA.com Version	Federal Return Cost	State Return Cost
Free (simple returns)	\$0.00	\$12.95

H&R Block

<https://www.hrblock.com/online-tax-filing/>

For W-2 employees, dividend and interest income Schedule B supported, no self-employed or itemizing. 3.5 stars by user reviews.

H&R Block Version	Federal Return Cost	State Return Cost
Free (simple returns)	\$0.00	\$0.00

Jackson Hewitt

<https://www.jacksonhewitt.com/file-taxes-online/>

Single or married filing jointly, up to \$100,000 taxable income, no itemizing or self-employment. 2.5 stars with online user reviews.

Jackson Hewitt Version	Federal Return Cost	State Return Cost
Free (simple returns)	\$0.00	\$39.95

OLT OnLine Taxes

<https://www.olt.com/main/home/products.asp>

Free edition is limited to income of \$66,000 or lower, no self-employment, has all forms. 3.5 stars by online user reviews.

OLT OnLine Taxes Version	Federal Return Cost	State Return Cost
Free	\$0.00	\$7.95

TaxHawk (FreeTaxUSA.com)

<https://www.freetaxusa.com>

<https://www.taxhawk.com/>

Tax Hawk also owns FreeTaxUSA.com. They offer free tax preparation services for all tax situations. There is no support, however, so you need to know what you're doing. 4-star rating by online user reviews.

Tax Slayer

<https://www.taxslayer.com/>

Free edition is for simple returns only. The company does not list the forms supported. 3.5-star rating by online user reviews.

Tax Slayer Version	Federal Return Cost	State Return Cost
Simply Free	\$0.00	\$0.00
Military	\$0.00	\$0.00

TurboTax

<https://turbotax.intuit.com/>

Free edition is for simple returns. Company does not indicate what forms the free edition supports, and the next level up is \$59.99. 4.5 stars by online reviewers.

TurboTax Version	Federal Return Cost	State Return Cost
Free (simple returns)	\$0.00	\$0.00
Military	\$0.00	\$0.00

Paid Software or Online-Subscription Services

While free tax programs might work for many people, you may prefer to purchase a tax-preparation-software product or use an online-subscription service. There are several reasons that a commercial product might be better for you:

- Your taxes are too complex for many free options
- You don't want your private data collected
- The up-selling pop-ups and ads in free products can be annoying
- You don't like the interface or bare-bones features of the free tax-prep versions
- You are filing multiple returns for other taxpayers

Even if you start with a free option, it is smart to see what the providers charge for their paid products. You would want to know that in case your return needs a form not supported by the free version and you either must upgrade that product or start over.

In addition, you'll want to consider the *total* cost of filing. For instance, OLT charges \$7.95 for the federal return and between \$7.95 and \$9.95 for the state return. That total is less than other providers that charge nothing for the federal return and \$19.95 or more for the state filing.

Here are the details for commercial software and online-subscription-service options:

1040.com

<https://www.1040.com/>

1040.com recently changed its offering so that all federal and state returns are \$25, and everything is included. There are no price tiers. The 1.5-star rating by user reviewers may start going up.

1040.com Version	Federal Return Cost	State Return Cost
Online Tax Preparation - All Returns	\$25.00	\$0

1040Now

<https://1040now.net>

Technically, preparation of a federal return is free at 1040Now.com - until you e-file your tax return. However, you can print your return and not pay for e-filing. The reality for most users, however, is that it costs \$19.95 for the federal return and \$17.95 for the state return.

Reviewers give it one star and note that there is no error-checking.

1040Now Version	Federal Return Cost	State Return Cost
Online Tax Preparation - Free	\$0.00 (if you print and file your return) \$19.95 (E-file filing fee)	\$17.95 (E-file or paper filing fee)

1040Now Version	Federal Return Cost	State Return Cost
Online Tax Preparation - Paid (all other returns)	\$19.95	\$17.95

eFile.com

<https://www.efile.com/>

It costs \$29.95 for eFile's Deluxe version and it supports itemized deductions. For \$39.95, business forms and complex returns are covered.

For \$28.95, it offers unlimited state returns. That is a great deal for those who file in multiple states.

Online reviewers give eFile four stars.

eFile.com Version	Federal Return Cost	State Return Cost
Online Tax Preparation - Deluxe (unlimited state returns)	\$29.95	\$28.95
Online Tax Preparation - Premium (unlimited state returns)	\$39.95	\$28.95

eSmart Tax

<https://www.esmarttax.com/>

eSmartTax offers several editions from the Basic (1040 plus interest income) for \$44.95, the Deluxe at \$55.95 (Schedule C and most other forms) for small business owners, and the Premium at \$69.95, which you'll need if you write off a home office or need support for K-1 or rental income.

It's offered by Liberty and the editions look the same except that eSmartTax is a little cheaper.

It gets four stars from user reviews and competes with TurboTax in the full-service arena. Its top version is noticeably cheaper than TurboTax. State returns are \$36.95.

eSmart Tax Version	Federal Return Cost	State Return Cost
Online Tax Preparation - Basic Version	\$44.95	\$36.95
Online Tax Preparation - Deluxe Version	\$55.95	\$36.95
Online Tax Preparation - Premium Version	\$69.95	\$36.95

eTax.com

<https://www.etax.com/>

The Basic Edition costs \$19.95 for the simplest returns without dependents. Those who itemize deductions or have dependents will need the \$29.95 Deluxe Edition; and only the \$49.95 version supports investments, self-employment income or AMT.

State returns cost \$29.95, and filers can get a CPA review of their returns for \$24.95.

eTax.com Version	Federal Return Cost	State Return Cost
Online Tax Preparation - Basic Version	\$19.95	\$29.95
Online Tax Preparation - Deluxe Version	\$29.95	\$29.95
Online Tax Preparation - Premium Version	\$49.95	\$29.95
CPA Review (additional)	\$24.95	\$29.95

ExpressTaxRefund.com

<https://www.expresstaxrefund.com/service.cgi>

Their full version is \$29.95 plus \$20 for e-filing; state returns are \$20 and e-filing the state return is \$20.

Online user reviewers give the package 4.5 stars.

ExpressTaxRefund.com Version	Federal Return Cost	State Return Cost
Online Tax Preparation - Basic Return Package	\$49.95	\$40.00
Additional forms (each, see website)	\$10.00	\$0.00

ezTaxReturn.com

<https://www.eztaxreturn.com/>

This company charges \$29.95 for its full version and \$19.95 for a state return.

Those who can use it gave the software 3.5 stars. But it doesn't support all states - or stock options sales, short sales or wash sales of stock, investment real estate property sales or depreciation or depletion for self-employed.

ezTaxReturn.com Version	Federal Return Cost	State Return Cost
Online Tax Preparation - Paid (all other returns)	\$29.95	\$19.95

FileYourTaxes.com

<https://www.fileyourtaxes.com/>

FileYourTaxes starts at \$44.75 (plus \$36.50 for state returns filed with the federal return). However, that fee may be just the beginning. There is a \$4 surcharge for every form and schedule beyond the basic 1040.

Reviewers say the software is not easy to use and give it two stars.

FileYourTaxes.com Version	Federal Return Cost	State Return Cost
All returns	\$44.75	\$36.50

Free1040TaxReturn.com

<https://free1040taxreturn.com/>

Those who don't qualify for the free version can choose the full version of the software for \$39.95. State returns are \$19.95.

This product gets one star from online user reviewers.

Free1040TaxReturn.com Version	Federal Return Cost	State Return Cost
Online Tax Preparation - Paid (all other returns)	\$39.95	\$19.95

FreeTaxUSA.com

<https://www.freetaxusa.com>

<https://www.taxhawk.com/>

All federal tax returns are free. State returns are just \$12.95. An upgrade to Deluxe with professional support is just \$6.99.

Users give the company 4.5 stars in online reviews.

FreeTaxUSA.com Version	Federal Return Cost	State Return Cost
Online Tax Preparation - Free	\$0.00	\$12.95
Online Tax Preparation - Deluxe	\$6.99	\$12.95

H&R Block

<https://www.hrblock.com/tax-software/>

There are a lot of ways to work with H&R Block to prepare your taxes. Its software offerings range from the \$19.95 Basic (simple returns only) to the Deluxe for homeowners and investors to the Premium at \$64.95 for freelancers and rental property owners to the Premium and Business edition for everything else.

One nice thing about Block is that even the Basic allows itemized deductions. And each edition comes with one free state return preparation (e-filing the state return costs \$19.95).

It's considered one of the easier programs to use and gets 4.5 stars from online reviewers.

H&R Block (At Home) Version	Federal Return Cost	State Return Cost
Basic Tax Software	19.95	39.95
Deluxe + State Tax Software (federal plus state)	\$44.95	\$0.00
Premium Tax Software (federal plus state)	\$64.95	\$0.00
Premium & Business Tax Software (federal plus state)	\$79.95	\$0.00

H&R Block also prepares taxes in-person at its many offices.

<https://www.hrblock.com/tax-offices/>

H&R Block In-Office Tax Preparation	Federal Return Cost	State Return Cost
In-Office Appointment	\$59.00	Unknown
Drop-Off Service	\$59.00	Unknown
Virtual Tax Prep	\$49.00	Unknown

H&R Block offers a full slate of options for online tax preparation if you want to do your own taxes.

<https://www.hrblock.com/online-tax-filing/>

H&R Block Online Tax Preparation	Federal Return Cost	State Return Cost
Online Tax Preparation - Deluxe Online	\$29.99	\$36.99
Online Tax Preparation - Premium Online	\$49.99	\$36.99
Online Tax Preparation - Self-Employed Online	\$79.99	\$36.99
Online Tax Preparation - Basic Online Assist	\$39.99	\$0.00
Online Tax Preparation - Deluxe Online Assist	\$69.99	\$36.99

H&R Block Online Tax Preparation	Federal Return Cost	State Return Cost
Online Tax Preparation - Premium Online Assist	\$109.99	\$36.99
Online Tax Preparation - Self-Employed Online Assist	\$139.99	\$36.99

Jackson Hewitt

<https://www.jacksonhewitt.com/file-taxes-online/>

Jackson Hewitt offers both an interview format and a self-guided option. Those who already know how to file their taxes may appreciate this.

The program costs \$109.95 for the complete package for all situations, and \$39.95 for state returns. The Families and Retirees edition (no itemizing) costs \$69.95.

Online user reviews give Jackson Hewitt 3.5 stars, despite citing its high price and somewhat clunky interface.

Jackson Hewitt Version	Federal Return Cost	State Return Cost
Online Tax Preparation - Families and Retirees	\$69.95	\$39.95
Online Tax Preparation - Complex Returns	\$39.95	

Liberty Tax

<https://www.libertytax.com/online/>

Online tax-filing for a simple return (a 1040 with a Schedule B for interest income) costs \$34.95 and a state return is \$35.95. But if you itemize, the basic version is \$44.95, the Deluxe edition for self-employed taxpayers is \$64.95, and the premium version for investors is \$89.95.

It gets high marks for ease of use, but the lower-priced options are limited. Users give it four stars.

Liberty also has offices for in-person preparation: <https://locator.libertytax.com/>

Liberty Tax Version	Federal Return Cost	State Return Cost
Online Tax Preparation - Simple	\$34.95	\$35.95
Online Tax Preparation - Basic	\$44.95	\$39.95
Online Tax Preparation - Deluxe	\$64.95	\$39.95
Online Tax Preparation - Premium	\$89.95	\$39.95

OLT OnLine Taxes

<https://www.olt.com/main/home/products.asp>

The premium edition's rock-bottom price (\$7.95 each for federal and some state returns) may appeal to those who don't need a lot of guidance with their taxes.

Those who dislike interview formats may also like this. The interface supports most tax forms and there is no up-selling.

Online reviewers give it 3.5 stars.

OLT OnLine Taxes Version	Federal Return Cost	State Return Cost
Online Tax Preparation - Premium	\$7.95	\$7.95 to \$9.95

OnlineTaxPros.com

<http://onlinetaxpros.com/index.php>

OnlineTaxPros costs \$19.95 for the Standard version, but it does not include state returns. The Deluxe version is \$29.95 and the state return is \$10.

It gets good ratings for business filers but just two stars by individual online reviewers. Note that their site is *not* secure.

OnlineTaxPros.com Version	Federal Return Cost	State Return Cost
Online Tax Preparation - Standard	\$19.95	Not Available
Online Tax Preparation - Deluxe	\$29.95	\$10.00

RapidTax

<https://www.rapidtax.com/>

The RapidTax Basic return package costs \$9.95 for federal and a state return bundled with federal returns (\$19.90 total) and \$29.95 for each additional state return. It supports single or married filing separately with no dependents and deductions, W-2 income, Form 1099-INT & 1099-DIV, 1099-R, Form 1099-G and Earned Income Credit.

To file more complex returns, it's \$24.95 for the Deluxe option with all forms and schedules. The Premium version handles self-employment, rental income, capital gains, and Alternative Minimum Tax at \$34.95. The Platinum version is for partnerships, LLCs, corporations, and estates and trusts at \$49.95.

RapidTax Version	Federal Return Cost	State Return Cost
Online Tax Preparation - Basic	\$9.95	\$9.95
Online Tax Preparation - Deluxe	\$24.95	\$9.95
Online Tax Preparation - Premium	\$34.95	\$9.95
Online Tax Preparation - Platinum	\$49.95	\$0.00
Additional state or state only	\$0.00	\$29.95

TaxACT

<https://www.taxact.com>

The TaxACT Deluxe+ edition costs \$20.96 for federal returns and \$39.95 for state returns. It supports filers with dependents and everything in their free edition such as child tax credit(s), Earned Income Credit, education expenses, prior year import. Then it adds itemized deductions, mortgage interest, HSAs, and tax-specialist support (see the website for the complete list).

More complex returns will need the Premier+ edition (\$27.96 for federal and \$39.95 for state) or the Self-Employed+ edition (\$52.46 for federal and \$49.95 for state returns).

It uses an interview format and gets four stars from online reviewers. Considered a low-cost option that's easy to use.

TaxACT Version	Federal Return Cost	State Return Cost
Online Tax Preparation - Deluxe+	\$20.96	\$39.95
Online Tax Preparation - Premier+	\$27.96	\$39.95
Online Tax Preparation - Self-Employed+	\$52.46	\$39.95

Tax Slayer

<https://www.taxslayer.com/>

TaxSlayer gets high marks for its pricing and ease of use. Filers can use an interview format or choose forms and jump around.

The Classic version is just \$17 and covers almost all tax situations - self-employed, investors, etc. State returns are \$29.

More expensive versions (Premium is \$37) add support and professional help.

Consumers online rate it at four stars.

Tax Slayer Version	Federal Return Cost	State Return Cost
Classic	\$17.00	\$29.00
Premium	\$37.00	\$29.00
Self-Employed	\$47.00	\$29.00

TurboTax

<https://turbotax.intuit.com/>

One advantage of TurboTax is that it still allows buyers to download the software (as opposed to a cloud-based subscription) or even purchase a CD. That's nice for those who prepare multiple returns for other people.

The Basic edition is recommended for step-by-step guidance at \$39.99. The Deluxe edition at \$69.99 covers most filers, but those with investments or rental property will need the Premier version at \$99.99.

Self-employed filers must upgrade to the \$119.99 Self-Employed version. State returns are \$44.99 for each state.

TurboTax may be the most comprehensive software, but it's also the most expensive. Online reviewers gave it 4.5 stars.

TurboTax CD/Downloadable Version	Federal Return Cost	State Return Cost
CD/Download Tax Software - Basic	\$39.99	\$39.99
CD/Download Tax Software - Deluxe	\$69.99	1 state included (additional states - \$39.99) See website re E-filing
CD/Download Tax Software - Premier	\$99.99	1 state included (additional states - \$39.99) See website re E-filing
CD Download Tax Software - Home Business	\$109.99	1 state included (additional states - \$39.99) See website re E-filing

But for those who wish to prepare their taxes in the cloud, TurboTax offers online tax preparations services too.

TurboTax Online Tax Preparation Version	Federal Return Cost	State Return Cost
Online Tax Preparation - Deluxe	\$40.00	\$40.00
Online Tax Preparation - Premier	\$70.00	\$40.00
Online Tax Preparation - Self-Employed	\$90.00	\$40.00

Nearly all free tax programs charge for state-tax preparation. (The exception is CreditKarma.) When comparing free programs, look also at the cost of your state return.

Some paid software may be cheaper for a federal and state return combined than other free programs with more costly state fees.

If you derive income from more than one state that has an income tax, you'll need to file a return for each of them.

If you moved in 2019, for instance, or have a rental in another state, you may have to file multiple state tax returns. If your business has clients or customers in other states, you probably must file multiple state returns. And if you are a professional athlete playing out of state, you file a state tax return for every state in which you play.

Tax-Preparation Costs Vary by Region

Tax-preparation costs vary by location. In nine regions of the U.S., according to the National Society of Accountants (NSA), average costs range from \$210 to \$333.

According to Thumbtack.com, tax preparation companies like H&R Block, Liberty and Jackson Hewitt typically charge:

- \$50 for a basic W2 tax filer (1040 and no schedules)
- \$150 for a W2 plus a couple other tax forms, such as a 1099-INT and a Schedule A
- \$225 for several tax forms and items like a rental property, K-1 income, or a simple Schedule C
- \$395 for multiple business and investment activities and itemized deductions

The cost of preparation depends not just on the complexity of the return; the taxpayer location is a factor as well.

According to the National Society of Tax Professionals (NSTP), average costs vary by town size (from \$139 in communities with fewer than 10,000 people to \$188 in communities with populations over 50,000). And new clients pay more -- \$12 more on average.

If you choose to have a tax accountant, Enrolled Agent, tax attorney or CPA prepare your return, you'll pay on average \$126 an hour, according to the NSTP. The NSA lists these costs:

- The average fee for a professional to prepare and submit a Form 1040 and state return with no itemized deductions is \$176.
 - The average fee for an itemized Form 1040 with Schedule A and a state tax return is \$273.
 - The average fee for an itemized Form 1040 with Schedule C and a state tax return is \$457.
-

Editorial Reviews – Best Tax-Preparation Software

We looked at costs, features and customer ratings for free and commercial software and rated them for simple and complex returns. We considered available support, guarantees, ease of use and the ability to import previous returns.

Best for Free Tax-Prep

TaxHawk's free service

Most free products worked only for simple returns eligible for the IRS Free File program. But TaxHawk's free service covers just about everyone.

Its federal service is free for all returns and state returns are just \$12.95. Their Deluxe edition is only \$6.99, and \$12.95 for state returns.

Online reviewers love them, giving the company 4.5 stars.

Other free alternatives

For taxpayers with complicated returns who are very confident in their tax-preparation ability – and who don't mind their personal data being collected – CreditKarma's free online-preparation service offers everything needed to complete a filing at zero cost. The

downside is that the actual form is not viewable and filers don't have access to the real tax forms -- just input screens.

Those who want more support and a high-end experience can get it with H&R Block. It allows filers to import previous years' returns from other software. It is easy to use and offers more forms than most of its competitors and it spells out which forms they are. The product is also one of the few free options allowing itemized deductions. Block has one important edge over TurboTax - a network of offices staffed by real tax preparers and tax accountants if home filers get stuck.

Best for Simple Returns

For the simplest returns, most taxpayers can find a good solution in the array of free offerings listed in this article.

The only reason to choose a paid option for a simple 1040 return (1040 EZ and 1040A returns were retired by the IRS in 2018) is if the combination of free federal plus paid state option exceeds the cost of a paid federal plus state return.

OLT Online Taxes

OLT Online Taxes is a good bet for those earning more than \$66,000 a year. Its full version is just \$7.95 and its state tax return costs range from \$7.95 to \$9.95 as well. However, OLT does not provide a lot of guidance.

TaxACT and Tax Slayer

Taxpayers desiring more help at a low cost should consider TaxACT and Tax Slayer. Both offer a wide range of forms at a bargain price. Both get excellent reviews from users.

H&R Block and TurboTax

Filers who want all the bells and whistles can look to H&R Block and TurboTax. Both providers deliver a smooth interface and get high marks for ease of use. H&R Block's advantages are lower cost (especially for self-employed filers) and its network of brick-and-mortar offices if customers decide to switch to an in-person experience.

TurboTax's edge also lies in its many delivery options, from a completely cloud-based preparation to downloadable software (great for those who prepare taxes for more than one person or just prefer to have the program on their own computers) to an actual CD.

Best for Complex Returns

Tax Slayer

Those who know what they are doing and want the lowest price should consider Tax Slayer. The software was originally developed for professional preparers, and its interface is logical.

Many will appreciate the ability to go straight to the forms they want if they want to skip the interview. But they also have the option of the interview format if they want it.

The Classic version covers almost any situation and costs just \$17. Upgrading to full service with the Premium version gets customers professional help for complex tax situations.

Other complex-return alternatives

Liberty's eSmartTax gets good reviews (four stars) and its high-end version is \$69.95, considerably cheaper than TurboTax. It offers the support of a full-service firm and competes directly with H&R Block. Liberty and eSmartTax software appear to be the same, but eSmartTax is slightly cheaper than Liberty.

Of course, the big names in tax preparation continue to deliver easy-to-use, highly rated and familiar products with a suite of additional services and support.

H&R Block and TurboTax both have the bells and whistles. The choice is really a matter of price and personal preference.

Note that prices for tax software change continuously and deals are common. Look for the best price for each, including promotional offers, including state returns if applicable.

Read the comparison charts on each product's site before buying. Try to determine the lowest-priced option your situation demands before buying.

One major source of taxpayer pain as detailed in reviews was the frustration of starting with one product only to be forced to upgrade to complete the return. Note what the higher version covers and costs just in case you need it.

Best for Multiple State Returns

For taxpayers who do business or own rentals in many states, the cost of filing multiple state returns can eclipse the cost of their federal return and get very expensive very quickly. However, some products make filing cheaper and less painful.

OLT Online Taxes

OLT Online Taxes charges just \$7.95 for its full version (note that it does not provide tax or filing advice), and just \$7.95 to \$9.95 for state tax returns.

eFile.com

And eFile.com received four-star ratings from its users. Its high-end version runs \$34.95. And for \$28.95, taxpayers can prepare unlimited state returns. Even their free version offers the unlimited-state-return option.

Companies We Surveyed for TY 2019 Tax Software

The table below lists providers, URLs and costs for each version. Note that the cost includes extra charges for e-filing in some cases - and prices change frequently.

Free Option	Company	Software	Version	Federal Return Cost	S
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N	1040.com	N	Online Tax Preparation - All Returns	\$25.00
N	1040Now	N	Online Tax Preparation	\$19.95
N	eFile.com	N	Online Tax Preparation - Deluxe	\$24.95
N	eFile.com	N	Online Tax Preparation - Premium	\$34.95
N	eSmartTax	N	Online Tax Preparation - Basic Version	\$44.95
N	eSmartTax	N	Online Tax Preparation - Deluxe Version	\$55.95
N	eSmartTax	N	Online Tax Preparation - Premium Version	\$69.95

How to Select a Tax Preparer

There are several types of in-person tax preparers who can prepare your return:

- Seasonal employees of tax firms have the least amount of training and the lowest cost.

Tax accountants, lawyers and CPAs do provide supervision, and clients can also have them review their returns for an additional fee.

- Tax accountants have additional training and usually a four-year degree in accounting or a related field.
- Certified Public Accountants (CPAs) have at least a bachelor's degree in accounting or a related field, log required hours in a public accounting firm and pass a rigorous set of exams.

CPAs can represent clients in Tax Court as well as prepare returns.

- Enrolled Agents (EAs) are federally licensed tax practitioners who meet specific education requirements and pass a rigorous set of exams. They can represent clients in Tax Court.
- Tax attorneys are licensed lawyers who specialize in tax law. They can help with tax planning, deal with issues like tax liens and garnishments and represent clients in Tax Court.

More complex situations may require practitioners with extensive training and higher hourly rates. Your cost depends on the practitioner's hourly rate and the time spent on your return.

The IRS published guidelines for selecting specific tax preparers:

1. **Check the preparer's qualifications**

Use the IRS Directory of Federal Tax Return Preparers with Credentials and Select Qualifications.

This tool helps taxpayers find a tax return preparer with specific qualifications. The directory is a searchable and sortable listing of preparers.

2. **Check the preparer's history**

Ask the Better Business Bureau about the preparer.

Check for disciplinary actions and the license status for credentialed preparers.

For CPAs, check with the State Board of Accountancy.

For attorneys, check with the State Bar Association.

For Enrolled Agents, go to the verify Enrolled-Agent status page on IRS.gov or check the directory.

3. **Ask about service fees**

Avoid preparers who base fees on a percentage of the refund or who boast bigger refunds than their competition. When asking about a preparer's services and fees, don't give them tax documents, social security numbers or other information.

4. **Ask to e-file**

Taxpayers should make sure their preparer offers IRS e-file. The quickest way for taxpayers to get their refund is to electronically file their federal tax return and use direct deposit.

5. Make sure the preparer is available

Taxpayers may want to contact their preparer after this year's April 15 due date. Avoid fly-by-night preparers.

6. Provide records and receipts

Good preparers will ask to see a taxpayer's records and receipts. They'll ask questions to figure things out like the total income, tax deductions and credits.

7. Never sign a blank return

Don't use a tax preparer who asks a taxpayer to sign a blank tax form.

8. Review before signing

Before signing a tax return, review it. Ask questions if something is not clear. Taxpayers should feel comfortable with the accuracy of their return before they sign it.

They should also make sure that their refund goes directly to them - not to the preparer's bank account. Review the routing and bank account number on the completed return. The preparer should give you a copy of the completed tax return.

9. Ensure the preparer signs and includes their PTIN

All paid tax preparers must have a Preparer Tax Identification Number. By law, paid preparers must sign returns and include their PTIN.

10. Report abusive tax preparers to the IRS

Most tax return preparers are honest and provide great service to their clients. However, some preparers are dishonest.

Report abusive tax preparers and suspected tax fraud to the IRS. Use Form 14157, Complaint: Tax Return Preparer. If a taxpayer suspects a tax preparer filed or changed their return without the taxpayer's consent, they should file Form 14157-A, Return Preparer Fraud or Misconduct Affidavit.

How to Save on Your Tax Bill

Tax planning involves several items. Employees want to make sure that they withhold enough taxes to avoid under-withholding penalties. Those who wish to owe nothing at tax time or receive a certain refund can adjust their W-4 form to create the result that they desire.

The IRS offers a handy Withholding Estimator taxpayers can use to fill out their W-4 forms.

Investors and business owners must send in estimated taxes either quarterly or monthly, depending on their income. They can use the Estimated Federal Tax Payment System online to do this.

Tax planning also includes paying for taxes. Taxpayers who must borrow to pay taxes or set up an installment plan end up paying interest and under-withholding penalties (.5% per month). So taxpayers who want that interest-free loan from the government but also want to pay their balance by the April 15th filing deadline should put that money where they can earn a return on it but access it easily when needed. That can be savings accounts, short-term CDs (or as part of a laddered CD plan), mutual funds (check the fine print for fees and penalties) and other liquid investments.

For complex situations, a CPA, EA or tax attorney may be able to help trim a tax bill. Finding tax-advantaged investments, the best way to set up a business or the smartest way to time and classify expenses are all parts of tax planning for lower bills in the future.

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What to Do With Your Tax Refund

Those lucky enough to get a tax refund have many options for spending or saving it.

- Put it toward next year's taxes (This may be a good strategy if you owed too much in 2019 and want to head off an under-withholding penalty.)

- Pay down high-interest debt (This is a good strategy that can cut interest costs now and reduce future borrowing costs by increasing FICO scores.)
- Increase emergency savings (Experts recommend two to six months of living expenses, depending on reliability of income.)
- Invest for retirement
- Pay for home improvements or repairs

Tax time isn't fun for anyone except possibly tax professionals. But with the right planning and product, most taxpayers can survive the season with minimal pain.

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The Easy Way to Earn More Interest

Learn more about these top high interest accounts*



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APY **1.70%** Min balance: \$0

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