

ExacNews

ExacTax Client:

All proforma, supplies, manuals and special order proformas have been shipped. 990 proforma, supplies, manuals and 2005 archive CDs will complete shipping this week.

2006 proforma for 2005 fiscal year end business returns processed through February 20th have also been shipped. RDE users can download these new files using the ExacTax RDE Communications Center. Select *Utilities | Retrieve Proforma Files*. When the download process is complete, start UltraTax and rebuild your client list (*Help | Repair | Rebuild Client List*).

A look at our statistics shows that the rerun rate is lower than ever and that makes everyone happy! Keep reading our tips for avoiding input errors to save time and money.

Sending Payments with Input Forms

When sending payments to ExacTax in your package, place your check in a separate envelope and write "CHECK ENCLOSED" on the outside. Paper clip the envelope to the top of the first set of input. This procedure will help prevent checks from being sent back to you as part of your input.

IMPORTANT: Accounts with an outstanding balance over 21 days will be placed on C.O.D. status. C.O.D. accounts that receive returns via UPS will be shipped UPS C.O.D. until the account is current. C.O.D. accounts that receive returns by any other method will be held until current.

No Charge Rerun Period for 1040 Batch Returns Ending

The 'No Charge' period for 1040 batch return telephone reruns ends on February 28th. All reruns must be called in or received by February 28th to qualify. Per ExacTax policy, when there is an ExacTax error, the error is always corrected at no charge. However, if additional changes are requested, or items are added that were not part of the original return, then the applicable charges will apply.

California SDI Requires Correct Code

When entering an amount on Form W2 [20A or 20B] for Local SDI/withholding, zip 44, a code MUST be entered in zip 45 to receive proper treatment on the federal Schedule A and on the California Excess SDI Worksheet. The only two valid codes for zip 45 are **SDI** or **VP** (voluntary plan). Entering a code 'CA' or leaving the zip blank will result in incorrect treatment.

Do not duplicate entries for SDI or VP. Many W2 forms will list the SDI in Box 14 as well as in the Local W/H fields. Only make an entry for one of these or the amounts will be over reported. When making an entry in zip 38, there must always be a postal code entered for correct treatment.

IRA Distributions with Basis Require Value on 12/31

When there is a distribution from a traditional IRA and there is traditional IRA basis on Form IRA [60A], an entry should always be made, including a zero, in zip 15 or 16, *Traditional IRA value on 12/31/06 (including rollovers)*. This entry is needed to correctly compute the amount of basis recovery on Form 8606. If it is a total distribution of all traditional IRAs, check zips 17 or 18.



1099R Distributions Require Distribution Code

A distribution code is always required on Form 1099 [23A or 23B], zip 14. This entry directly affects how the distribution is taxed and/or penalized.

RDE Tips and Traps

1. **Tip:** Before sending an e-file return for processing, in addition to reviewing the regular e-file diagnostics you should also be running a *Print Preview* with the *Create electronic file* box marked in order to check for detailed errors.

Trap: Once the *Create electronic file* box is checked in the *Print Returns* dialog it will remain checked until you uncheck it. If you run a *Print Preview* on a **non-e-file** return while the *Create electronic file* box is checked, the e-file zip 1, on Screen ELF, will automatically be checked causing that return to be processed for e-file.

2. **Tip:** When editing detail lines in a sub schedule (the little S button  next to the data field), always use the scissors button  on the tool bar to delete a line.

Trap: Using the keyboard entries, such as the space bar or the Delete key, to blank out the fields, does not completely remove the line from the sub schedule and may cause the program to treat the line as having data present.

3. **Tip:** When entering detail lines in a sub schedule do not create extra blank lines or the system may treat it as an entry. For example, an additional blank line in the Dependent sub schedule does not create another dependent on 1040 but will result in an e-file error listing dependent information as missing. The same could happen with an incomplete deletion as described in #2 above.

4. **Tip:** When you switch from an input screen to the forms view, by default the program will display the output form that directly relates to the input screen that was just viewed.

Trap: This does not mean that the form you see will be printed with the return. For example, if you open the input Screen A for Itemized Deductions and then switch to the Forms View, you will see the Schedule A. This does not mean that the client is itemizing or that there is a Schedule A printing in the return, it is just displaying what has been computed on the schedule so far.

In general, to see which forms are actually included with the return, review the forms list in the left-hand pane. Only the forms shown there will be printed with the return.

Note: Some exceptions to this rule apply. When an automatic feature has been selected to force print a form, such as Schedule B, when less than \$1,500 or Form 6251, these may not show in the forms list but will print with the return. Also, forms in the Non Calc folder that have been entered do not show in the forms list but will print with the return.

5. E-file returns claiming Head of Household filing status for California require the Head of Household Questionnaire (CAHOH) to be completed. If the qualifying person has been entered in the Dependent sub schedule and you enter a code **6** in the *State Use* column of that dependent, that dependent's information will automatically be entered on the CAHOH screen.

6. Make Backups!

We are constantly hearing from users who have had their hard drives crash and had no backup of their tax files. All RDE users should be making regular backups of all data files. Making a backup in UltraTax is very easy:

- From the *File* menu select *Backup*.
- On the Backup dialog press the *Select All* button. Make sure that all return types are checked.

- Review and change the backup location setting in the lower right-hand corner, as needed, to another location on your hard drive.
- Backing up to another location on *your hard drive alone* won't help in the event of a crash. We recommend that you also copy your backup directory to your CD or DVD drive and write a new disk each time or copy to a separate hard drive.
Note: Unless you have special software, you may not be able to back up directly from UltraTax to a CD or DVD and must first back up to a directory on your hard drive.
- It's always a good idea to keep a recent backup off-site in the event of a fire, theft or other disaster.

Proforma Notes

On Input Forms [51] and 2106[72] when a vehicle that was designated as a sport utility vehicle was printed, the check box for *Sport Utility Vehicle* was left blank. This was a print error only. The *Sport Utility* box is still checked in the data file and will process correctly.



Extended Support Hours

The ExactTax support hours are as follows, (Pacific Time):

- Monday through Friday **8:00 A.M. to 8:00 P.M**
- Saturdays..... 8:30 A.M. to 5:00 P.M.
- Sunday, March 11 9:00A.M. to 3:00 P.M.
- Sunday, April 1, 8 and 15 9:00 A.M. to 3:00 P.M.

Customer Support

The direct number for Customer Support is **(800) 254-2244**. Have your six digit account number ready when calling regarding any type of questions, billing, input procedures, return status and/or technical tax questions. If you need to fax any information to Customer Support, the number is **(714) 254-7210**.


Review your ExactTax Instruction Manual and/or the UltraTax/CS™ Software User Manual before contacting Customer Support; it could save you and us valuable time.

Important ExactTax Telephone Numbers

Main numbers	714- 284-4802	800-352-3638
Customer Support	800-254-2244	
Telephone Rerun	714-239-6139	800-786-4272
Electronic Filing (Batch users)	714-254-7228	
Main fax	714-284-4814	
Customer Support fax	714-254-7210	
Accounting fax	714-999-6566	

Street address: **2301 W Lincoln Ave #100
 Anaheim, CA 92801**

Or mail to: **P.O. Box 61048
 Anaheim, CA 92803-6148**

 Note: DO NOT send express mail to our P.O. Box; this will delay pick-up by one day or more.

To contact us by e-mail, use the following addresses:

- Sales..... **exsales@exactax.com**
- Customer Support..... **exsupport@exactax.com**
- Electronic Filing..... **efrdeaut@exactax.com**
- Technical Support..... **extech@exactax.com**
- Administrative..... **exadmin@exactax.com**
- Accounting..... **exaccts@exactax.com**

Also, visit our web site: <http://www.exactax.com>