

January 28, 2008

Issue 2008-3

ExacNews

Exactax Client:

The 2007 tax processing season is now well underway. All available proforma and starter kits have been shipped. The outstanding states are expected to be released this week so proforma and supplies for those products will ship by the week of February 4th. A schedule is listed below.

Extended Hours

Beginning this week, Exactax will be open extended hours. All departments will be open from 8:00 A.M. until 6:00 P.M.

February 2nd: Support will be available Saturdays from 8:30 A.M. until 5:00 P.M.

February 4th: The Customer Support, Technical Assistance and Shipping Departments will be open from 8:00 A.M. until 7:00 P.M.

The RST Department (**R**erun/**S**upplies/**T**racking) will remain open from 8:00 A.M. until 8:00 P.M for reruns, supply orders and tracking only.

Proforma

The initial proforma for all systems, except those listed below has been shipped. Proforma for the remaining states and for 990 is scheduled to ship the week of February 4th.

At this time the following products are not available. Proforma for these is scheduled to be shipped beginning the week of February 4th:

1041	1065	1120	990
Connecticut	Arkansas	Alaska	Federal
Delaware	D.C.	Michigan Cities	California
Illinois	Michigan Cities	Rhode Island	Connecticut
Massachusetts	North Dakota	Texas	New York
Michigan	Ohio Cities		
Missouri	Oklahoma		
New Mexico	Rhode Island		
Ohio	Texas		
Rhode Island	Utah		
Vermont	Vermont		
Virginia			
West Virginia			
Wisconsin			


2007 Proforma for Returns Processed Between 12/21/07 and 12/31/07




Proforma for all returns processed during the last week of 2007 will be shipped this week. Proforma for all returns processed after 12/31/07 must be individually requested when each return is finalized. Proforma for 2006 fiscal year returns will automatically be run on a monthly basis and does not need to be requested.

Starter Kits and Manuals

Starter Kits for California 1041, 1065 and 1120 were included with the most recent state proforma shipment. Instruction manuals are scheduled to begin shipping with the 1040 manual shipping the week of February 4th.

Software Releases

All RDE software has been shipped. By now you should have also received shipments from Creative Solutions for UltraTax versions 2007.3.0 and 2007.4.0. Additional interim releases for various state products are available only by downloading updates. Check for updates available on your Home Page by pressing the Home icon on the right-hand side of the tool bar .

Look for the item   Updates awaiting retrieval via CS Connect [Retrieve updates]  to quickly tell if any updates are available.

Important: DO NOT call Creative Solutions for support or for inquiries on your shipment status. As an RDE user all of your support must come through Exactax.

If you have not received the latest CD and would like to download it from the internet,(only if you have a high speed connection such as DSL or cable modem), it will take approximately 15 – 20 minutes.

- Start 2007 UltraTax and from the main menu, select *Help \ On the Web \ Product Support and Service*. This will launch your browser to the Creative Solutions support site.
- Click on *Downloads* and you will receive a Log In screen.
- Enter the Email address: exactax@exactax.com
- Enter the password (must be all capitals) **EXACTAXRDE**
- Click on *Download the latest version of UltraTax CS*
- Follow the instructions. If you use the Download Manager option it will give you an option to *Launch when done* so that the install will begin automatically when the download has completed. If you do not use this option, then note the location where you are saving the download file so that you can manually execute it when the download is complete.
- When the download is complete check for updates on your Home Page.

Courier Service

Courier service began on Monday, January 28th. If you are interested in signing up, please contact our Courier Service Manager, Barbara Hammond, at (800) 352-3638, Extension 218 to see if this service is available in your area.

Credit Card Authorization Form and Payments

An updated version of the ExacTax Credit Card Authorization Form was included with the January 2nd ExacNews, Issue 2008-1. Because this form has been revised, all accounts wanting to use credit cards for 2008 must sign and return the form. This applies even if there is a prior form currently on file. Please contact Accounting if you have any questions.

CVN Required: When contacting Customer Support or Accounting to make a current credit card payment please have your 3 or 4 digit credit card verification number (CVN) ready as this is now always required.

2006 Returns on CD

The order form for requesting PDF archive CD of **all** 2006 returns processed from January 1st, 2007 to date will be sent under separate cover. Look for this coming soon.

Electronic Filing

Electronic filing for 1041 returns begins January 28th.

If you receive a return back that has been disqualified for e-filing by ExacTax, be sure that you review both your regular return diagnostics as well as the ExacTax E-file Error Report for all error messages. Electronic files are currently being transmitted several times a day with one transmission by 10:30 AM and one before 4:30 PM (Pacific Time) to catch the IRS drains.

Important! *ExacTax* must receive your authorization before any EF return is transmitted. Your authorized returns will normally be included in the next transmission.

DO NOT authorize a return until it has been processed. Authorizing a return before the efile has been created will delay or possibly exclude it from transmission.

Acknowledgements (ACK) are normally received within 24 to 48 hours. If you do not receive an ACK **the return is not considered as filed**. If you still have an ACK pending after 72 hours, please contact the Customer Support Department.

IRS Error Code Issues: As of this release, issues with IRS error codes 231, 232, 237, 301, 302, 616, 720, and 728 have been reported to the IRS. If you receive any of these error reject codes, you will need to file the return on paper. Once the IRS addresses these error code issues for tax year 2007 processing, information will be provided with a future bulletin.

Note: Error code 301 occurs when the total federal withholding on miscellaneous income is greater than zero and there is no amount for taxable interest, taxable IRA, taxable pensions, unemployment compensation or Social Security benefits.

Late Input Form Change

A late change was made to Input Form 84 – AMT Credit, adding new zip 59. This box is used to add the amount from the 2004, Form 8801, Line 26 which is used in the computation of the refundable portion of the “long-term” AMT credit carryover. When needed, this box may be drawn in on Form 84 just below zip 58. You only need to enter this amount when you have a credit carryover in zip 2 of the CO section below.

Form 8801 - Credit for Prior Year Minimum Tax

Enter amounts from 2006 return.

* If prior yr Sch D Part IV (or Sch D Tax Worksheet) not completed enter amount that would have been reported.

Form 6251, sum of lines 1, 6, 10	37	2006 Schedule D Tax WS line 10	50
Form 6251, adj & tax pref (Excls only)	38	2006 Next Year's Tentative Minimum Credit WS line 30	51
1041, Schedule K-1 exclusion items	39	2006 Qual Div & Capital Gains WS 7 or Schedule D Tax WS In 14*	52
Minimum tax credit NOL deduction	40	2006 Form 2555 line 45	53
Child's earned income plus min exempt	41	2006 Itemized deductions related to 2555 excluded income	54
U.S. real property net gain	42	2005 Form 8801 line 18	55
Minimum tax foreign tax credit	43	2005 Form 8801 line 20	56
Form 6251, line 34	44	2006 Form 8801 line 18	57
Form 6251, line 35	45	2006 Form 8801 line 20	58
Electric vehicles CO's	46	2004 Form 8801 line 26	59
2006 filing status†	47		
2006 Qual Div & Capital Gains WS In 6 or Schedule D Tax WS In 13*	48		
2006 Schedule D line 19*	49		

† Filing status 1 = Single, 2 = Married filing joint, 3 = Married filing separate, 4 = Head of household, 5 = Qualifying widower

CO

Carryovers

Minimum Tax Credit carryforward (from 2006 Form 8801, line 26)	2
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CACrAM

California Form 3510 Credit for Prior-year AMT - Exclusions

Enter data from the prior year Schedule P or P(NR)

Part I, lines 15 through 18 - Taxable income, NOL, AMTI exclusion	1
Part I, lines 1 through 7, 13a, 13c, 13l - deductions, contribution, depletion, qualified small business stock	2
Exclusions items (Includes Sch K-1 (541), line 9d, column (d))	3
Part I, line 20 - AMTCNOLD	4
Filing status was married filing separate	5
Part II, line 22 worksheet, line 1 - Base amount	6
Part II, line 22 worksheet, line 3 - Threshold amount	7
Part II, line 22 worksheet, line 9 - Minor child AMT exemption	8
Part II, line 25 - Regular tax before credits (Resident only)	9

Form 3510 Credit for Prior-year AMT - Form 540NR

Part II, ln 35 - Ttl AMT itemized deductions 10	Excl items (Include Sch K-1 (541), ln 9d, col (e)) 13
Part II, ln 28-CA AGI adj by NOL/AMTI Excl 11	Standard/Itemized deductions in prior yr (1 = Standard, 2 = Itemized (Default)) 14
Part II, line 29a, 29h, and 29q 12	Part II, line 44 - Regular tax 15

Form 3510 Credit for Prior-year AMT - Computation of Credit

Enter data from the prior year Schedule P or P(NR)

Schedule P (540), Part II, line 26; Schedule P (540NR), Part II, line 45 - AMT	16
Solar energy credits used to reduce AMT 17	Prior year AMT credit carryover 19

See input Form [85B] for federal preferences and adjustments.
See input Forms CAAMT [CA50A] and CAAMT2 [50B] for California preferences and adjustments.