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ExacNews

ExacTax Client:

The first deadline for corporation returns with a 12/31/09 year end is Monday, March 15. ExacTax telephone support will be open every Saturday from 8:30 AM to 5:00 PM to assist you with your questions and reruns. Review your corporation supplies and order accordingly to ensure that you don't run short.

Note: UPS does not pick up from ExacTax on Saturdays; however, returns held for pick-up will be available at our Anaheim facility during our hours of operation. If you plan to pick up your returns, please mark your Form PI as 'Hold for pickup' in advance.

Extended Hours

Extended hours are now in effect. Production, Technical and Customer Support departments are open Monday-Friday from 8:00 A.M. until 7:00 P.M (Pacific Time) and Saturdays from 8:30 to 5:00.

Support for billing and credit card payments is available Monday-Friday from 8:30 to 5:00. Ask for extension 225.

Instruction Manuals and Proforma

All instruction manuals and 990 proforma have been shipped as of last week.

Efile COD Policy

Efile transmissions will be suspended for accounts on COD. When the account is made current then all pending authorizations will automatically be sent. No additional authorization will be required.

2008 Returns on CD Now Available

The form for ordering 2008, 2007, 2006 and 2005 archive of returns on CD was included with the previous bulletin. The first orders started to ship this week. If you would like to order archived returns and did not receive an order form, please contact Customer Support.

Free Rerun Period for 1040 Batch Returns Has Ended

The 'free' period for 2009 1040 batch return telephone reruns ended on February 28th. 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. Review your ExacTax diagnostics and corrections made by the Audit Department to your input forms to avoid future reruns.

RDE Users – Keep Your Software Current

Updates to the UltraTax program are released almost on a daily basis. If you do not keep your program current by downloading the updates, the return you get back may not match what was on your screen. <u>You must install version 2009.4</u> before you can install the updates to it. The next UltraTax CD, version 2009.5, is not scheduled for release until sometime in April.

Reruns and Support – Be Prepared

ExacTax tries to maintain a rapid support call response time. Please have your log number, input forms with changes completed and other materials ready to avoid extending calls unnecessarily. If you are calling regarding an RDE issue, have your computer on and available.

California 2010 Estimate Change Reminder

When entering your predetermined amounts for 2010 CA 540-ES tax vouchers, (codes 5 or 9 on CAEst **{6A}**, zip 4), remember that the law has changed; to avoid an underpayment penalty the first installment must be <u>30%</u>, the second is 40%, the third is zero and the fourth is 30%. When you make an entry for voucher 3, then a voucher 3 will be produced with a due date of September 15. When total estimated tax is over $1,000,000 an additional 10% must be added.

RDP Returns

A flowchart detailing the steps to process an RDP return is included with this bulletin.

Frequently Asked Questions

1040/CA: Where do I enter the amount received for Paid Family Leave?

For California recipients, a Form 1099-G should have been issued by the California Employment Development Department (EDD). The amount in Box 1 is reported as unemployment compensation on Input Form INC **{22A}**. This will be taxable on the federal return, after the first $2,400, and non-taxable on California.

E-file: Can I <u>e-file</u> a return and suppress my preparer name and firm name by checking the NPP box 20 on Form PI?

NO. To e-file, the NPP box must not be checked. A preparer and firm must always be assigned to an e-file return.

RDE: All of a sudden my 1040 input screen looks different – what happened?

You pressed the Organizer View button (two heads) on your toolbar or you pressed the shortcut command [Ctrl+R]. To switch back to Input View press the **I** button or press [Ctrl+I].

RDE Quick Tips

When working on a proformaed client you can quickly view last year's input by pressing the **[F8]** button. To switch back to the normal data entry view press **[F8]** again.

When entering an asset to be expensed under Section 179: after entering the cost, method and life, press **[F11]** and the system will compute and enter the maximum 179 allowed.

2009 California Registered Domestic Partner Return Input Flow Chart

Example #1: Steps for processing a Federal filing status Single, Head of Household or Qualifying Widow(er) and a joint California Registered Domestic Partner return.

Run a regular federal return for Taxpayer #1 using their federal filing status. Do not check 'Domestic Ptr' on form PI.

Check zip 1 on Form **{CA60}** to prevent the 540 from printing.

Run a regular federal return for Taxpayer #2 using their federal filing status. . Do not check 'Domestic Ptr' on form PI.

Check zip 1 on Form **{CA60}** to prevent the 540 from printing.

If proformaed, use the joint proforma set with 'DomesticPtr' pre-checked.
Note: You can't change a proforma PI from '1040' to 'Domestic Ptr.'

If not proformaed, start a new PI and check 'DomesticPtr'.
Complete Form **{1}** with the taxpayer and spouse's name and address.

On Form RDP **{CA60}** enter the 2 log numbers from the single returns above, to be merged. Enter the applicable return type code on CARDP, zip 3.

Complete additional federal input forms as needed for items not in the single returns or that will be different from the amounts in the two single returns. For example:

- If one partner is being claimed as a dependent on the other's return the dependent needs to be deleted
- Add in medical expenses paid by one partner for the other that were not previously deducted
- If the combined taxable state refund will be different than the separate ones, enter the total with force code 7
- If there will be an invoice charge, client number or invoice number, make these entries
- If electronic filing will be used, complete the e-file information

New returns: Only federal data will be merged. Enter all California amounts for items in the separate returns, such as carryovers, basis adjustments, estimate options, etc. that are not automatically merged.

RDE Notes: For proformaed Domestic Partner clients the CARDP screen will come pre-populated with the two client IDs that were merged last year. The taxpayer's ID is 'hardwired' into the client file and can't be deleted. Because the current year ExacTax proforma files have been renumbered, the program won't find the matching number when the taxpayer and spouse are selected in the Domestic Partners dialog. To work around this:

1. Open the Domestic Partner return.
2. Open the Contact screen in the General folder.
3. If there are any entries currently there, such as email address, etc., write them down.
4. From the Edit menu select *Delete Screen Data*. This will temporarily delete the prior year client IDs.

New and Proformaed clients:

5. Open the Client Properties in the Domestic Partner return.
6. Press the **Advanced Properties** button and select the *Domestic Partner* tab.
7. Select the taxpayer in the list and press the **Taxpayer** button.
8. Select the spouse in the list and press the **Spouse** button.
9. Press **Done**.
10. Review the merge diagnostics.
11. Review the Contact screen to verify the deleted information has been correctly replaced.