

**Sun City Summerlin
Computer Club**

Seminar

**Annual
Tax Software Review**

Tax Year 2023

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Where to Find the Handout

Sun City Summerlin Computer Club Website:

<https://www.scsccl.com/smnr>

Seminar Agenda

- **Seminar Introduction**
- **Review of Turbo Tax Versions & Features**
- **Review of H&R Block Versions & Features**
- **Sample Couple - Financials**
- **Step by Step Demo Completing a Return**
- **Tax Reference Links**
- **2023 Tax Law Recap and Rates**
- **2024 Tax Rates**
- **Q and A**

Seminar Introduction (1)

- This is a seminar about Tax Software Programs.
- This is *NOT* a seminar about income taxes.
 - Please don't rely on me for tax advice.
 - Please don't rely on me to correctly interpret the tax laws for your tax situation.
- We'll look at Turbo Tax and H&R Block Features
- Then we'll dig into H&R Block Deluxe in more depth
- Our approach will be to use a model senior couple and fill in their tax forms with H&R Block Deluxe.

Seminar Introduction (2)

- **Benefits of Tax Software Programs:**
 - **Easy step-by-step interview.**
 - **Also support direct “Forms” entry.**
 - **Imports prior year’s tax return data.**
 - **Can automatically get much financial data.**
 - **Can import from Quicken.**
 - **Instantly recalculates** when you make a change.
 - **Programs know and follow the latest tax rules.**
 - **Powerful error checking and audit review.**
 - **Facilitates electronic filing via an encrypted connection between your PC and the IRS.**
 - **Also does State income taxes (if needed).**
 - **Your tax filing is completely private.**

Turbo Tax Versions

- <https://turbotax.intuit.com>
- Turbo Tax Free (1040 A / 1040 EZ) - *online*
- Turbo Tax Basic (Simple returns)
- Turbo Tax Deluxe (For homeowners)
- Turbo Tax Premier (stocks, rentals...)
- Turbo Tax Home & Business (Business, ...)
- Most versions now available on the web in “free trial” mode.
- All versions available online or as downloads

Turbo Tax Key Features

- **Step by step interview**
 - **Personal Information**
 - **Income**
 - **Expenses (deductions)**
 - **Credits & other considerations.**
- **Forms mode (direct entry)**
- **Tax summary window**
- **Program and Tax Help**
- **Deduction Finder (Deluxe & above)**
- **Print return (for records, for filing)**
- **Electronic filing**
- **State tax return (Efile is extra cost)**

H&R Block Versions

- <https://www.HRBlock.com>
- H&R Block Free (Simple returns) *Online*
- H&R Block Basic (Basic returns)
- H&R Block Deluxe (Stocks, rentals, business ...)
- H&R Block Premium (More help on business)
- H&R Block Premium & Business (Corporate returns)
- Versions available online or as downloads (DVD \$10 extra)
- Also offering “Online Assist” Service.

H&R Block Basic Features

- **Step by step interview**
 - **Personal Information**
 - **Income**
 - **Expenses (deductions)**
 - **Credits & other considerations.**
- **Forms mode (direct entry)**
- **Tax summary report window**
- **Program and Tax Help**
- **Print return (for records, for filing)**
- **Electronic filing**
- **State tax return (may have extra cost)**

John and Mary Smith Income

Item	John (73)	Mary (71)	Joint
Wages / Self Employment	5,465	2,975	
Social Security	19,648	18,088	
Interest (B of A CD)			241
Dividends (Schwab)			6,728
Stock Sale (Schwab)	Sold 200 IBM @164.50 12-13-23 (bot 138.25 4-23-18)		
IRA RMD Distributions	3,948	2,484	
IRA to Roth Conversions	7,500	5,000	

John and Mary Smith Deductions

Item	John (73)	Mary (71)	Joint
Qualified Business Income 20%		468	
Charitable Contributions			0
Qualified Charitable Donations	3000	1500	
Health Ins. (Med Part B)	1,979	1,979	
Health Ins. (Humana)	0	0	
Health Care	4,235	2,565	
Property Tax			3,275
Long Term Care Ins	2,425	2,425	
Car License Fees (2)	320	267	

H&R Block Step by Step for the Smiths

- Import prior year's return
- Personal *Interview*
- Income Entry *Interview*
- Expense Entry *Interview* (good to do even if using std. deduction)
- Estimated Tax Payments Made (1040 ES)
- Revisit Income and Expense Topics Lists
 - *To ensure nothing missed – esp. medical expense items.*
- Final Review – correct any issues
- Audit checks
- Print Return for records (paper & PDF)
- E-File
- E-Pay (IRS EFTPS.gov website)

IRS Free-File Program

- For taxpayers whose AGI is \$79,000 or below
 - Find at: www.irs.gov/freefile
 - Fill in some questions and then get directed to a tax software vendor's free tax filing product.
- Alternative for those whose AGI > \$79,000:
 - Free fillable online tax forms that you can fill in, print and submit. (Does basic math).
- Also consider free **AARP Tax Assistance**.
Check the LINK Magazine for details.
(Available in 2024 at Sun City Summerlin, but slots filling fast.)

IRS Electronic Payments

- EFTPS: www.eftps.gov
- Pay tax bills on-line
 - Get a password - call: 1-800-982-3526
 - Or you can enroll online.
 - Once account set up, you can pay all taxes owed online.
 - Links to your checking account.
 - IRS will mail you a PIN.
- Each EFTPS payment gets an e-mail receipt.
- May have to call and reactivate if not used for 6 months or more.

Tax Reference Links

- **Tax Law Changes for 2023**
 - <https://www.hrblock.com/tax-center/filing/tax-law-changes/>
- **Federal Budget Analysis – 2023**
 - <https://www.cbpp.org/research/policy-basics-where-do-our-federal-tax-dollars-go>
- **IRS Tax Statistics – Through 2022**
 - <https://www.irs.gov/statistics/soi-tax-stats-irs-data-book>
- **Taxpayer Profiles**
 - <https://taxfoundation.org/data/all/federal/summary-latest-federal-income-tax-data-2023-update/>
- **Sunset of the Tax Cuts and Jobs Act on 12/31/2025**
 - <https://www.thetaxadviser.com/issues/2023/dec/tax-planning-for-the-tcjas-sunset.html>

2023 Tax Brackets

- **2023 Tax Brackets for Single Filers, Married Couples Filing Jointly, and Heads of Households - Source: Internal Revenue Service**
 - <https://taxfoundation.org/data/all/federal/2023-tax-brackets/>
 - For 2023, there were few material changes in rates / deductions:
 - <https://finance.yahoo.com/news/what-to-expect-for-the-2024-tax-filing-season-195134625.html>
 - Some tax breaks from COVID pandemic have expired.
 - Tax brackets, standard deduction and various credits adjusted for inflation:
 - Note the marriage penalty beginning at 35%

Rate	For Single Filers	Married Filing Jointly	Head of Household
10%	\$0 to \$11,000	\$0 to \$22,000	\$0 to \$15,700
12%	\$11,001 to \$44,725	\$22,001 to \$89,450	\$15,701 to \$59,850
22%	\$44,726 to \$95,375	\$89,451 to \$190,750	\$59,851 to \$95,350
24%	\$95,376 to \$182,100	\$190,751 to \$364,200	\$95,351 to \$182,100
32%	\$182,101 to \$231,250	\$364,201 to \$462,500	\$182,101 to \$231,250
35%	\$231,251 to \$578,125	\$462,501 to \$693,750	\$231,251 to \$578,100
37%	\$578,126 or more	\$693,751 or more	\$578,101 or more
SD	\$13,850	\$27,700	\$20,800
65+	\$1,850	\$1,500	\$1,850
Blind	\$1,850	\$1,500	\$1,850

2024 Tax Brackets

- 2024 Tax Brackets for Single Filers, Married Couples Filing Jointly, and Heads of Households
Source: Internal Revenue Service
 - <https://taxfoundation.org/data/all/federal/2024-tax-brackets/>
- For 2024, so far there are few material changes in rates / deductions:
 - Tax brackets, standard deduction and various credits adjusted for inflation:
 - Note the marriage penalty beginning at 35%

Rate	For Single Filers	Married Filing Jointly	Head of Household
10%	\$0 to \$11,600	\$0 to \$23,200	\$0 to \$16,550
12%	\$11,601 to \$47,150	\$23,201 to \$94,300	\$16,551 to \$63,100
22%	\$47,151 to \$100,525	\$94,301 to \$201,050	\$63,101 to \$100,500
24%	\$100,526 to \$191,950	\$201,051 to \$383,900	\$100,501 to \$191,950
32%	\$191,951 to \$243,725	\$383,901 to \$487,450	\$191,951 to \$243,700
35%	\$243,726 to \$609,350	\$487,451 to \$731,200	\$243,701 to \$609,350
37%	\$609,351 or more	\$731,201 or more	\$609,351 or more
SD	\$14,600	\$29,200	\$21,900
65+	\$1,950	\$1,550	\$1,950
Blind	\$1,950	\$1,550	\$1,950

**Questions
and
Discussion**