

# INCOME TAXES ONLINE

Exton PC Council

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# Objectives

- Using available online services to prepare and file
- 2011 Federal Income Tax
- 2011 Pennsylvania Income Tax

# Online resources

- [www.irs.gov](http://www.irs.gov) provides free online preparation and e-filing of returns for qualified taxpayers. Must meet income and residency requirements
- [www.revenue.state.pa.us](http://www.revenue.state.pa.us) provides free online preparation and e-filing of returns for most taxpayers

# Before you begin

- Gather your documents – W-2s, 1099s, real estate tax receipts, medical receipts, charitable contributions, and others
- If you use Personal Financial software like Quicken, generate reports of relevant expenditures

# Using IRS Free-File

- Go to [www.irs.gov](http://www.irs.gov)
- Click on Free File
- AGI limit is \$57,000 regardless of filing status
- Click on Get Help Finding a Free File Company
- Fill in the information requested

# Using IRS Free-File

- Click on each provider in the list to see any restrictions – you will leave the IRS site
- After viewing the providers, select the one you want
- Most providers will charge extra for filing state tax returns

# Pennsylvania Returns

- Go to [www.revenue.state.pa.us](http://www.revenue.state.pa.us)
- Click on PA Direct File
- Use one of the methods shown in the box to establish your account
- Once your account is established, system will step you through each required form, perform the calculations, compute your tax, and e-file the return
- There are no income limits. Some situations and forms are not supported
- Service is free

# Other Online resources

- [www.taxact.com](http://www.taxact.com) free e-filing of most federal returns – no income or age restrictions - state returns are extra
- [www.turbotax.intuit.com](http://www.turbotax.intuit.com) free e-filing of simple federal returns (1040EZ). Other returns must be paid for when filed - state returns extra
- [www.hrblock.com](http://www.hrblock.com) free e-filing of simple federal returns (1040EZ). Other returns must be paid for when filed. Lower cost than Turbo Tax – state returns extra

# Other free tax preparation

- **VITA**
  - Must be done in person
  - Income generally limited to \$50,000 regardless of filing status
  - Certain situations are out of scope
- **AARP Tax-Aide**
  - Must be done in person
  - No income limit
  - Generally directed to seniors but not a hard and fast requirement
  - Certain situations are out of scope

# Conclusions

- As with all tax software, you are ultimately responsible for payment of the correct tax
- If you have a complex tax situation, it is best to use the services of a competent professional tax preparer