



SOFTWARE NEWS

A Newsletter from CFS Tax Software, Inc.

Fall 2007

LAST CHANCE TO RENEW EARLY!

Many of you have already taken advantage of our May and August early renewal specials, thereby earning vouchers to apply to next year's renewals.

But if you *haven't* renewed, we are trying one last time to encourage you to do so before the December-January rush, when both your office and ours will be at their busiest.

It's the smart thing to do. You'll save time by ordering early, and saving time means saving money. And if that isn't reason enough, here's another incentive:

Free Tax Research Online!*

Renew any CFS software title by October 31st and receive a free subscription to *CFS Tax Research Online* through April 30, 2008. *Tax Research Online* has all the reference material on our *Tax Research CD*—Internal Revenue Code, IRS Regulations, Announcements, Notices, Publications, Revenue Rulings and Procedures, MSSP Audit Technique Guides, Court Opinions and more—all available for fast, easy searching from any computer with Internet access.

Use CFS Tax Research Online free this tax season!



Renew by Halloween and save!

* If you have already renewed early and want to take advantage of this offer, call CFS at 800-343-1157, or fax your request to 805-522-0187.

LAST CHANCE TO SAVE ON SUPPLIES!

Order your forms, envelopes, and tax return supplies by October 31st to take **10% off the regular low price.**

When you buy forms from CFS, you know you are buying forms that are compatible with CFS software. And our prices are *significantly* lower than those of our competitors.

Our tax return supplies are also competitively priced and come in a wide variety of styles and colors. The *Label/Envelope Maker* in CFS programs will print slipsheets to match all of the tax return folders and envelopes we sell.

Order from our supplies catalog or online at www.taxtools.com. You can also generate a forms order sheet from within *CFS Payroll System* by selecting "Complete Forms Order..." from the Help menu.

W2/1099 PAYROLL SYSTEM RELEASED

W2/1099 Payroll System and *Payroll Corrector* are currently available for download at taxtools.com. If you requested a CD, it will be shipped soon.

For more information, see page 3.

MYCFS REQUIRED FOR DOWNLOADS

To ensure that customers have received their programs and updates, we are now requiring they be logged in to their *MyCFS* account before downloading software.

To log in to *MyCFS*, go to taxtools.com and select "Login" from the *MyCFS* drop-down menu. If you do not have a *MyCFS* account, follow the link to the registration page. You need only supply a valid e-mail address and password.

For more information, see page 3.

TAX QUOTABLE

"A nickel ain't worth a dime anymore."

—Yogi Berra

WHAT'S INSIDE...

NEW AT CFS...

- New Kiddie Tax Rules for 2008;
- Changes to Form W-2;
- Safeguarding Taxpayer Data.

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WHAT'S NEW AT



NEW KIDDIE TAX RULES FOR 2008

New Rules...

The 2007 Small Business Act contains changes which may impact parents of college-aged children beginning in 2008. For a child subject to these rules, the child's unearned income over \$1,700 will be taxed at the parent's tax rate, which is presumably higher.

For children under age 18, nothing has changed. However, the new law expands the kiddie tax to apply to children that turn age 18 during the tax year, or turn age 19-23 if the child is a full-time student.

These older children are exempt from the new kiddie tax rules if their earned income exceeds one-half of their total support for the year.

Tax-Planning Strategies...

Here are a few tax-planning strategies to help your clients avoid or minimize the effects of the new law:

If your client has a child who is or will be age 18 to 23 and is a full-time student in 2007, consider taking any unrealized long-term capital gains in 2007.

To avoid the higher kiddie tax in the future, consider having the client move any income-generating securities into tax-free funds, growth stocks that do not generate dividends, or companies that pay qualified dividends.

Starting in 2008, consider having a self-employed client hire their child to work in their business. Remember—if the child's earned income exceeds one-half of their support, the child will not be subject to the kiddie tax.

CFS Software Can Help...

The latest *TaxTools* update contains a new kiddie tax module to enable you to help your clients avoid the pitfalls of the new tax rules. *TaxTools*, our most popular program, contains over 250 tax-planning, retirement and financial utilities, forms and flowcharts

that no tax professional's office should be without.

We have also added a letter to the latest *Tax Corresponder* update to help you explain the new kiddie tax rules to your clients. *Tax Corresponder* contains over 300 tax and financial planning letters, attachments and handouts to answer your clients' most common questions—all customizable, with mail-merge capability.

Both *TaxTools* and *Tax Corresponder* are currently available as after-tax-season 2-for-1 specials. Buy the 2007 version so you'll have the tools you need now. Get the 2008 version—with the tools you'll need next year—*free!*

2-for-1 specials: buy the tools you need now—get the tools you'll need next year free!

TaxTools '07 & '08 \$189⁰⁰
 annual renewal..... \$149⁰⁰
Tax Corresponder '07 & '08 \$49⁰⁰
 annual renewal..... \$29⁰⁰

CHANGES TO W-2

The IRS has made several changes to the 2007 Form W-2. Most importantly, the location of the employee's Social Security number was moved from box d to box a. This was done to prevent the SSN from being seen when the form is in a window envelope.

W2/1099 Payroll System has been updated for the form changes. We sell red scannable versions of the new W-2 and W-3, as well as blank, perforated stock for printing scannable black forms.

We have also redesigned our "Envelope A" to better fit the new form. However, if you have a supply of the old Envelope A's, *Payroll System* will still be able to generate W-2's to fit them.

Remember—order your forms and other supplies by October 31st to receive a **10% discount!**

SAFEGUARDING TAXPAYER DATA

In today's world of instant electronic data transmission, it is more difficult than ever to keep personal information from going astray. Here at CFS, we have taken steps to ensure the security of our customers' data. Have you done the same for your clients?

The IRS recently released Publication 4557, *Safeguarding Taxpayer Data - A Guide for Your Business*. The publication contains guidelines to help tax professionals and other service providers:

- Preserve the confidentiality and privacy of taxpayer data by restricting access and disclosure;
- Protect the integrity of taxpayer data by preventing improper or unauthorized modification or destruction; and
- Maintain the availability of taxpayer data by providing timely and reliable access and data recovery."

Checklists contained in Publication 4557 will soon be incorporated into *CFS Small Business Tools*. *Small Business Tools* contains over 150 modules essential to starting, running, and terminating a small business, with the same convenient interface as our other toolbox programs.

Publication 4557 is available online at www.irs.gov. It is also included—along with thousands of other IRS documents, Code, Regulations, court opinions and more—in *CFS Tax Research*. *Tax Research* contains a wealth of timely, relevant tax information in an easily searchable format—either on CD or online.

Small Business Tools \$149⁰⁰
 annual renewal (and current
TaxTools users) \$129⁰⁰
Tax Research (CD or online) ... \$149⁰⁰
 annual renewal..... \$139⁰⁰

AFTER-SEASON 2-FOR-1 SPECIALS



Buy the tools you need now—get the tools you'll need next year free!

CFS TaxTools—over 250 tax-planning, retirement and financial utilities, forms and flowcharts:

TaxTools '07 & '08\$189⁰⁰
Annual renewal.....\$149⁰⁰
Annual network upgrade ..add \$150⁰⁰

CFS W4 Calculator—great for adjusting payroll withholding throughout the year:

W4 Calculator '07 & '08.....\$89⁰⁰
Annual renewal.....\$49⁰⁰
Annual network upgradeadd \$50⁰⁰

CFS Quick Reference Guide—tables, charts and other important information, in a powerful searchable format:

Quick Reference Guide
'07 & '08.....\$39⁰⁰
Annual renewal.....\$29⁰⁰
Annual network upgradeadd \$50⁰⁰

CFS CA 571 Preparer—prepares and prints California Business and Agricultural Property Statements:

CA 571 Preparer '07 & '08.....\$99⁰⁰
Annual renewal.....\$79⁰⁰
Annual network upgradeadd \$50⁰⁰

CFS MD Personal Property—prepares and prints Maryland Personal Property Returns:

MD Personal Property
'07 & '08.....\$179⁰⁰
Annual renewal.....\$139⁰⁰
Annual network upgradeadd \$50⁰⁰

CFS Financial Planning Tools—comprehensive **Financial Planner** plus over 100 forms, worksheets, flowcharts, and calculators:

Financial Planning Tools
'07 & '08.....\$550⁰⁰
Annual renewal.....\$299⁰⁰
Annual network upgrade ..add \$100⁰⁰

REMINDERS...

Don't forget to download and install your software!

Remember—if you requested the “no CD” shipping option (*see below*), you will not receive a CD, so don't forget to download and install your purchased CFS software!

Make sure we have your current e-mail address and our e-mails are not being blocked by your spam blocker, so that we can remind you about updates.

You can also stay informed of updates by periodically checking the “News & Updates” section of our web site at www.taxtools.com.

Shipping Policy

We have added a “no CD” option for customers who wish to save on shipping by downloading all of their CFS programs from the Internet. CFS customers can now choose from the following shipping options:

1. Receive the initial release of each program on CD and download all updates for **\$7 per order**.
2. Receive the initial release and all significant updates on CD for **\$25 per year**.
3. Download the program and all updates: **no CDs = no shipping charge**.

There are exceptions to this policy. Users of the CD versions of *Fill-N-Print Tax Forms* or *Tax Research* do not have a choice of shipping options, as they must receive several scheduled CD shipments.

Also, due to the number of updates required, users of *NY Sales Tax Preparer* **must** download all updates from the Internet, and therefore cannot choose option two.

California customers will receive an added benefit by choosing the third option. There is no sales tax on programs downloaded from the Internet!

Note: if you choose the “no CD” option, you will not receive a printed receipt. We will e-mail your receipt to you.

Payroll System W2/1099 License Code Reminder

Remember—when you install **CFS Payroll System W2/1099**—even if you have already installed **Payroll System 941/940**—you **may need to enter a new license code**.

Your license code is printed on your receipt. You can also look it up at www.taxtools.com by clicking on **License Code Verification** under **Quick Links** or, if you have a **MyCFS** account, by selecting **License Codes** from the **MyCFS** menu.

When you install the program, make sure that you are using the latest code. (It may vary only slightly from your old license code.) **You must enter the correct code to activate the program.**

MyCFS

A *MyCFS* account allows you to shop securely at our online store, as well as giving you secure access to your personal customer information.

You can view your order history and renewal information, update your firm name or address, look up license codes, and see if you have early renewal vouchers to apply. Your *MyCFS* account is also the key to accessing *CFS Tax Research Online*.

If you don't have a *MyCFS* account, it's easy to register. Just go to www.taxtools.com and click on “MyCFS” under the Support menu. On the *MyCFS* page, click on “Register for a MyCFS Account.” You will need to provide a valid e-mail address and a password.

NOTE: In order for us to keep track of whether or not customers have received their programs and updates, we now require you to be logged in to your *MyCFS* account to download software from our web site.

“Trick or Treat,” says the child dressed in a plain business suit. “What sort of costume is that?” asks the homeowner. The child replies, “I’m an IRS agent,” takes 40% of the man’s candy, and leaves without saying “thank you.”

WHAT CAN YOU FIND AT TAXTOOLS.COM?

At www.taxtools.com, you'll find all kinds of useful information, including...

Software Updates...

Need to update your CFS software, or just want to make sure you're running the latest version? Under **Quick Links**, click on **Software Updates**. Click on the CFS program you want to update, and you'll be taken to a screen where you can find the latest downloadable update, along with an **Update History**.

UPS Tracking...

Track forms and expedited software shipments from our web site. Under **Quick Links**, click on **Package Tracking**.

Expected Release Dates...

Want to know when to expect your CD or download your next update? Under the **Support** menu, click on **Release Dates**.

Show/Seminar Schedule...

Find out where and when CFS will be appearing at tax shows and seminars. Click on the **Show Listing** menu.

Technical Support...

Need help? You might find the answer in the **Frequently Asked Questions (FAQ)** section of our **Technical Support** page. If not, you can submit a **Technical Support Request**. Under the **Support** menu, click on **Technical Support**.

MyCFS...

Your **MyCFS** account allows you to shop securely at our new online store **and** gives you secure access to your personal customer information, including order history, vouchers earned, license code, and renewal information. Login or create an account by selecting **Login** under the **MyCFS** menu.

More...

At www.taxtools.com, you will also find product descriptions, customer comments, instructional videos, links, news, and downloadable demos.

CFS POLICIES AND DISCLAIMERS

Return Policy

Software returns will be accepted no later than 30 days from receipt of program(s). If the order has already been shipped, a refund will be granted minus shipping.

Forms returns will be accepted no later than 30 days from receipt of order but not after 12/15/07. Forms orders placed after 12/15/07 cannot be returned.

Free Shipping

There is no shipping charge or sales tax if you download the program and all updates and do not receive a CD. However, if you later request a CD, CFS is required by law to charge sales tax on the original order.

Update CD Service

There is a charge of \$25 if you would like the initial release and all major updates on CD. This does not apply to CD versions of Tax Research or Fill-N-Print Tax Forms, and is not available for NY Sales Tax Preparer.

Multi-Program Network License

You can purchase network upgrades for CFS programs for an additional fee. However if you purchase several CFS programs, you might want to consider our Multi-Program Network License, which upgrades all CFS programs to the network version for an annual price of \$299.00. The Multi-Program Network License is not a stand-alone program—you must buy the single-user programs you wish to upgrade. This offer does not apply to AME Payroll or Fill-N-Print programs.

Financial Planning Tools 2007

The 2007 program will function through May 31, 2008. To use the program after that date, you must order the 2008 program. The 2007 and 2008 programs may be purchased together for a special discount price of \$550.

Quick Reference Guide

The content of this program is included in CFS Tax Research. It is also available as a stand-alone program for \$39.00 for first-time users and \$29.00 for renewals.

