



SOFTWARE NEWS

A Newsletter from CFS Tax Software, Inc.

Summer 2006

EARLY RENEWAL INCENTIVES

\$5 Renewal Discount

For every program you renew by August 31st of this year, a **\$5 renewal discount** will automatically be applied to the same program on next year's spring renewal form.

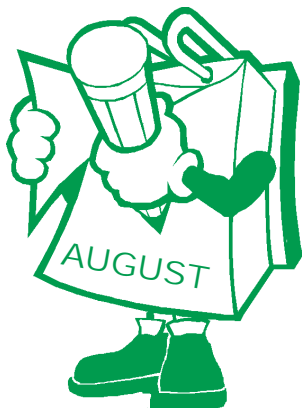
10% Off First-Time Purchases

Place your software renewal order by August 31st and take **10% off the first-time purchase of any additional CFS software**. The additional software must also be ordered by August 31st. If there are other CFS programs you have been thinking of trying, now is the time!

20% Discount on Supplies

Order your forms, envelopes and tax return supplies by August 31st and take **20% off** the already low price.

See our supplies catalog for a wide selection of forms, envelopes, checks, labels, folders and other tax return supplies.



Remember—renew by August 31st and save!

You can view your renewal notice and renew your software and supplies online using your **MyCFS** account. For details, see *What Is MyCFS?* on **page 2**.

ORDER SUPPLIES EARLY AND SAVE!

Order your forms, envelopes, and tax return supplies by August 31st and **take 20% 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 we carry a wide variety of styles and colors.

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.

NEW—CUSTOM FOLDERS

You can now order custom tax return folders from CFS, created to your specifications and imprinted with your logo and company information!

Design your folder style: Tell us where you want windows, pockets, business card slit, etc.

Select a color: Choose from our large selection of paper colors and textures.

Personalize: Choose the location for your logo and company information, embossed or imprinted with foil or ink in the color you choose.

For details, see our latest supplies catalog or visit www.taxtools.com.

FOLDER PRICE MATCH

If you can find a lower price on the same tax return folder or related envelope, tell us. We'll try to match it, **and** we'll give you a coupon for **\$20 off** your next CFS tax return supplies order!

TAX QUOTABLE

"I love to go to Washington — if only to be near my money."

—Bob Hope

WHAT'S INSIDE...

NEW AT CFS...

- Credit card security;
- What is MyCFS?;
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- After-tax-season specials.

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REFERRALS...

Save money with our customer referral program. **Page 4.**

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WHAT'S NEW AT



CREDIT CARD SECURITY

To protect our customers from identity theft, we are now asking for the CVV (Card Verification Value) security code for all credit card transactions.

The CVV security code is only printed on the credit card; it is not contained in the magnetic stripe information or on sales receipts or billing statements. You must have the card in your possession in order to use this code. By giving us your CVV, you are helping us to ensure that the order is being placed by you, the card holder.

For Visa and Mastercard, the three-digit CVV is printed on the signature panel on the back of the card immediately after the account number. For American Express, the four-digit CVV is printed on the front of the card above the account number.

WHAT IS 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, such as order history, vouchers earned, license code, and renewal information.

Your *MyCFS* account is also the key to accessing CFS Online Research products you have purchased (*Tax Research*, *California Research*, *Audit & Collections*).

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.



NO CA SALES TAX ON DOWNLOADS

According to current California law, as a California company we must collect sales tax from our California customers for all sales of "tangible personal property." This means that our California customers must pay sales tax on any paper supplies or on software purchased on CD.

However, software downloaded from the Internet is not considered "tangible personal property," and is therefore not subject to sales tax.

Some of our programs, such as CD *Fill-N-Print* and CD Research programs, must be purchased on CD. However, most of the programs on our CFS Software multi-program CD are available for purchase by download.

*If you purchase a program from us and download it from the Internet **without receiving the program on CD**, you will not be charged California sales tax on the program.*

*However, if either before or after you download a program you receive a CD containing that program, **you will have to pay sales tax on the program.***

Here are a few examples of how this might work:

Example 1: You purchase *TaxTools* on CD in March and pay sales tax on it. In April, you decide to purchase *Small Business Tools* as a download. Even though you download the program, you must pay sales tax on *Small Business Tools* because the program is on the CD you received for *TaxTools* in March.

Example 2: You purchase *CA Sales Tax Preparer* by download in April and do not pay sales tax on it. In May you decide to order *Financial Planning Tools*, but you request a CD. You must pay sales tax on *Financial Planning Tools* and on your previous purchase of *CA Sales Tax*

Preparer, because both programs are on the CD you received in May.

Example 3: You purchase *TaxTools* on CD in March. In August, you purchase *W2/1099 Payroll System* and download the program. You do not have to pay sales tax on *W2/1099 Payroll System* because it was not included on the CD you received for *TaxTools* in March.

Of course, non-California customers do not pay California sales tax on any CFS products.

ONLINE RESEARCH TUTORIAL

We have created a tutorial for our online research products. The tutorial uses examples to illustrate how to navigate, search, and get the most out of such features as Bookmarks, Search Templates, and Saved Searches.

To view the tutorial in *Tax Research*, *California Research*, or *Audit & Collections*, click on the "Tutorial" button in the upper right corner of the main menu screen. The tutorial will open in a separate window.

If you haven't purchased our online research products and would like to learn more about them, go to www.taxtools.com and, from the *Products* menu, under *Research Software*, select *Tax Research*. At the bottom of the page describing the program features, you will find a link to the tutorial.

Online research products contain the same information as the CD versions in a web browser interface similar to the interface used in our CD research products. Advantages include: content is accessible from any computer with Internet access; content is more current, due to more frequent updates; content is more extensive, as it is not limited by the size constraints of a CD.

AFTER-SEASON 2-FOR-1 SPECIALS

CFS is currently offering after-tax-season 2-for-1 specials on the following programs.

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

TaxTools '06 & '07	\$189 ⁰⁰
Annual renewal	\$139 ⁰⁰
Annual network upgrade . add	\$150 ⁰⁰

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

W4 Calculator '06 & '07	\$89 ⁰⁰
Annual renewal	\$49 ⁰⁰
Annual network upgrade ... add	\$50 ⁰⁰

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

Quick Reference Guide '06 & '07	\$39 ⁰⁰
Annual renewal	\$29 ⁰⁰
Annual network upgrade ... add	\$50 ⁰⁰

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

CA 571 Preparer '06 & '07	\$99 ⁰⁰
Annual renewal	\$79 ⁰⁰
Annual network upgrade ... add	\$50 ⁰⁰

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

MD Personal Property '06 & '07	\$149 ⁰⁰
Annual renewal	\$139 ⁰⁰
Annual network upgrade ... add	\$50 ⁰⁰

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

Financial Planning Tools '06 & '07	\$550 ⁰⁰
Annual renewal	\$299 ⁰⁰
Annual network upgrade . add	\$100 ⁰⁰

NETWORK INSTALLATION TIPS

Network versions of CFS programs run the program and access the data on a central computer. There is a Network Upgrade charge because of the added costs of production and support.

There are three types of networks that CFS programs may be installed on:

- **Peer-to-Peer Network** – a group of computers connected together to enable sharing of resources.
- **Server Network** – one computer, the server, is dedicated to storing program and data files.
- **Terminal Server** – the programs run remotely on the server. This allows the use of inexpensive workstation computers as the work is done on the server. Citrix is an example of this type of network.

The user has a choice of two methods of installing CFS programs in a network environment:

- Install the program and the data files to the server computer or a single computer on a peer network. On a Terminal Server, this method must be used. The advantage is that all users are running the same copy of the program. If an update is necessary it is only done once.
- Install the program on each computer and share data on the server or one computer on a peer network. This method is commonly used on older networks to limit the amount of data sent across the network so the program will run faster.

A combination of methods can be used. You might have a group of workstation computers running the program on a server and simultaneously on a laptop computer that may or may not be connected to the network.

Terminal Server. The programs must be installed on the server if you are using Terminal Server networking. Consult the manufacturer of your network system for instructions.

Server Network. If you are installing the program to run from the server, the installation must be performed from a workstation computer. First, at each computer map a drive letter to the network location where you want to locate the data. We will use F: as an example. Install the program to the F: drive. We recommend that you keep the default path (i.e., F:\CFSLIB\TT2006). Run the workstation setup program, located in the F:\CFSLIB\TT2006\WSSETUP folder, at each of the other computers.

Programs Installed Locally. At each computer, map a drive letter to the network location where you will store the data. Install the program at each computer using the default settings. At each computer, start the program and click on Configuration. Set the data path to point to the network data location.

Peer-to-Peer Network. Map a drive letter at each workstation to a main computer that you want to contain the program and data. Install the program at the main computer using the default settings. Run the workstation setup at each other computer.

The first time you start the program on any computer, the Add User screen will display. The user name stores the configuration of that workstation. Add a user name for that computer.

If you have questions, please consult the *Frequently Asked Questions* (FAQ) page at www.taxtools.com or call Technical Support at (800) 343-1157.

MICROSOFT ENDS 98, ME SUPPORT

Microsoft announced that, as of July 11, 2006, it will retire support for Windows 98 and Windows Me, stating that the products “are outdated and can expose customers to security risks.”

Also citing security issues, Microsoft announced that, as of October 10, 2006, it will no longer support Windows XP Service Pack 1.

Microsoft encourages users to upgrade to the more secure XP Service Pack 2.



CUSTOMER REFERRAL PROGRAM

If you are a satisfied CFS customer, please tell a friend! Our success is based on word-of-mouth recommendations from customers like you. Fill out the form below and either fax or mail it to us. We will contact your friend and offer a 20% discount on his or her first order. If your friend places an order within three months, you will receive a 20% discount on any CFS program!

CURRENT CFS CUSTOMER	NEW CUSTOMER
Refer a colleague and receive a 20% discount on one program when your colleague places an order in the next 3 months.	Receive a 20% discount on your first CFS order when you place the order in the next 3 months.
Customer #: _____	Firm Name: _____
Firm Name: _____	Customer Name: _____
Customer Name: _____	Address: _____
Address: _____	City/State/Zip: _____
City/State/Zip: _____	Phone: _____
Phone: _____	E-mail: _____
E-mail*: _____	
*You will receive an e-mail confirmation that this form was received.	CFS will not sell or share customer information with any organization or company.
Rules	
<ul style="list-style-type: none"> • New Customer must place order within 3 months of the date this form is received. • New Customer must not have ordered from CFS in the last 3 years. • Current CFS Customer discount will be applied to the program of highest cost if more than one program is ordered at the same time. • Current CFS Customer's discount is valid for one year after the date this form is received. 	
<div style="border: 1px solid black; padding: 5px;"> <p>Fax to 805-522-0187 or mail to:</p> <p>CFS Tax Software, Inc. P.O. Box 879 Simi Valley, CA 93062-0879</p> </div>	

WHAT CAN YOU FIND AT taxtools.com?

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

Program 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**.

License Code Verification...

Misplaced your CFS license code? You can look it up at our web site. Under **Quick Links**, click on **License Code Verification**.

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**.

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**.

Secure Online Shopping...

Online shopping is even easier at our **new online store**. You can view past orders, get exact shipping costs, and conveniently make all of your CFS purchases in the same order. Under **Quick Links**, click on **Online Store**.

Show/Seminar Schedule...

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

More...

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