



Drake Tax® Manual

Pay-Per-Return (PPR)
and 1040 Versions

Drake Tax®

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Pay-Per-Return (PPR)

Unlike Drake Tax Pro, the Pay-Per-Return (PPR) version of Drake Tax allows you to purchase only the returns you need for the tax season. The PPR package comes with 10 individual returns ready to use. Purchase more individual returns, as well as business returns, as needed.

This document has been prepared for PPR users as a supplement to the [2024 Drake Tax Manual](#)—it is not meant to replace that manual. For information on installing and using your program, download the [2024 Drake Tax Manual](#) from Support.DrakeSoftware.com > **Support** > **Documents**.

What's New for 2024

There have been ample changes made to the IRS tax code, individual (1040) returns, and other returns (1120, 1120-S, 1065, 1041, 990, 709, and 706) for tax year 2024, many of which are important and may affect you.

Review the [What's New for 2024](#) document and the [2024 Drake Tax Manual](#) for details on changes and enhancements. For additional information regarding specific changes in tax law, refer to the appropriate supplemental manual: The [2024 Drake Tax Manual — Individual, Gift Tax, and Estate Returns](#) or the [2024 Drake Tax Manual — Business Returns](#). All manuals can be downloaded and accessed at no cost from your User Account at Support.DrakeSoftware.com > **Support** > **Documents**.

Pay-Per-Return Pricing

The base Drake Tax PPR package includes 10 1040-series returns. Purchase additional 1040 returns for \$39.99 each and business returns for \$59.99 each. Customers can upgrade to Drake Tax Pro once they reach the *total cost to customer* threshold of \$2,495; they can also upgrade to Drake Tax 1040.

The remaining *cost to upgrade* depends on the amount and type of additional returns purchased while using Drake Tax PPR. Once the \$2,495 threshold is met, you are prompted to switch to Drake Tax

Pro. Any amount that exceeds the \$2,495 *total cost to customer* when purchasing the final PPR return is neither prorated nor refunded.

- Cost to upgrade = \$2,495 – total spent on additional PPR returns
- Total cost to customer = Total spent on additional PPR returns + cost to upgrade

As an example:

Buys two additional 1040 returns	+	\$ 79.98 (2 x \$39.99)
Buys five additional business returns	+	\$299.95 (5 x \$59.99)

Total spent thus far	=	\$459.91
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<i>Total cost to customer</i>	\$2,495	
Total spent thus far	-	\$459.91

Cost to upgrade	=	\$2,035.09
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Drake Tax PPR is no longer automatically converted to the unlimited package once the current-year tax season is over (when returns with default extensions can no longer be filed). The 2023 version of Drake Tax PPR and each year thereafter now has its own PPR “bank,” where the *total cost to customer* must be met for the respective year before upgrading to the Pro version.

Single-User and Multi-User Versions

For tax year 2024, customers have a new product to choose when purchasing Drake Tax Pro or Drake Tax 1040: Single User or Multi-User. The version that is chosen depends on the number of users in the firm.

For Drake Tax purposes, a user is a tax return preparer who, per IRS guidelines, must have a PTIN. Per the IRS, anyone who prepares or assists in preparing federal tax returns for compensation must have a valid PTIN before preparing returns. Users (tax return preparers) are considered any of the following:

- A signing tax return preparer
- A nonsigning tax return preparer
- A supervised registered tax return preparer

Drake Tax PPR uses the Multi-User version by default; preparers with the PPR package can have as many users as needed. For more information on single and multi- users, visit KB article [18494](#).

Internet Required

When you purchase returns, those returns are kept on the Drake Tax servers until you “redeem” (use) them, at which point the return is stored on your system; therefore, to purchase and redeem returns, your computer **must** be connected to the Internet. Returns **cannot** be purchased or redeemed without an Internet connection.

Regardless of Internet connectivity, the number of returns purchased and the number of returns redeemed is always available for viewing from **Setup > Pay Per Return**.



- Even if you are not connected to the Internet, you can still work in redeemed returns, but you cannot purchase or redeem more until an Internet connection is reestablished.
- Returns cannot be purchased or redeemed by phone.
- Several returns can be purchased at once, but they must be redeemed one at a time.

Getting Started with PPR

Whether you are installing Drake Tax PPR to a single computer or a network, installation and setup is identical to that of Drake Tax 1040 and Drake Tax Pro. For information on program installation, setup, and security features, see the [2024 Drake Tax Manual](#).

Your PPR Package

Drake Tax is available for download through your User Account ([Support.DrakeSoftware.com > Downloads > Drake Tax](#)) and via CD (available at an extra cost). All federal packages (1040, 1120, 1120-S, 1065, 1041, 990, 706, and 709), Drake Documents, practice returns, test returns, and the e-file program for transmitting test returns to Drake Software are included with the initial installation. The [2024 Drake Tax Manual](#) (in PDF format) is included on the CD and is also available for download at no cost from your User Account ([Support.DrakeSoftware.com > Support > Documents](#)).

Programs for state returns, e-file, banking, the Tax Planner, city tax rates, and Forms-Based Data Entry are included in a subsequent shipment in January. Federal and state programs are updated with each program release thereafter.

Customers who purchase either Drake Zero or Web1040 can download the desktop version of Drake Tax PPR from the support site ([Support.DrakeSoftware.com > Downloads > Drake Tax](#)), allowing them to file business returns as needed. Drake Zero and Web1040 clients **cannot** use the desktop version of Drake Tax to upgrade to Drake Tax Pro or create individual returns.

Practice & Test Returns



Take advantage of practice and test returns.

Do *not* create (“redeem”) unnecessary returns while learning to use the tax program; instead, use the practice and test returns to practice data entry and transmission. Practice and test returns do *not* count toward your redemption total.

Practice returns, test returns, and EF test returns are available from your User Account and on the program CD. Practice and test returns *must* be installed with the preseason version of Drake Tax (or full version, if you did not install the preseason release first).

- *Test returns* allow you to practice e-filing returns in Drake Tax. The returns will be either accepted or rejected. Correct the rejected returns and resend them to receive acknowledgments. The SSNs for *test returns* run from 500-00-1001 through 500-00-1008. Directions for using EF test returns can be found at Support.DrakeSoftware.com > Training > Practice Returns.
- *Practice returns* help new Drake Tax clients become more familiar with how data is entered in Drake Tax. Practice preparing returns by completing data entry based on the practice scenarios provided, and compare your tax return with the provided solution. Practice returns and directions for using them can be found at Support.DrakeSoftware.com > Training > Practice Returns. Practice returns are also included on the installation CD. The SSNs for *practice returns* are as follows:
 - *(individual)* 400-00-6001 – 400-00-6010
 - *(corporation)* 00-400-6011
 - *(partnership)* 00-400-6012
 - *(S corporation)* 00-400-6013

For more information on practice returns, webinars, tutorials, and tax courses, visit Support.DrakeSoftware.com > Training.

Managing Your PPR Account

There are two main components that make a PPR account different from Drake Tax Pro:

- **Purchasing Returns** — You must purchase returns as needed. Ten individual returns are included by default, ready to be redeemed and used. The program keeps a running tally of the number of returns you have purchased, the number “redeemed” (used), and the number of additional returns needed for conversion to Drake Tax Pro.

- **Redeeming Returns** — Returns are available for use when they are purchased. A return is “redeemed” when you:
 - Start a new return
 - Update an existing return
 - Change the SSN or EIN on a return
 - Change the file type (if the SSN has to be changed to an EIN or vice versa)
 - Use the Quick Estimator (to start a return)

See [“Counting PPRs” on page 14](#) for instructions on each of these processes.

Before a new PPR is redeemed, a Pay-Per-Return alert appears on your screen, informing you that proceeding will reduce your bank of purchased (but unredeemed) returns (figure right).

If you want to open an existing return from the previous year but are not ready to update that return, you can open it in read-only mode. Read-only mode allows viewing of the return but does not allow calculation or data entry. If you want to enter data or calculate the return, click **Redeem**. This reduces the number of your available, unredeemed returns by one. For information on updating returns, see [“Updating a Return” on page 15](#).

There are currently 5 return(s) available in your 1040 PPR bank. If you redeem this return, you will have 4 return(s) remaining.

Do you wish to continue (Y/N)?

Yes

No

Restrictions and Notes

Be aware of the following PPR restrictions and notes:

- **1041 returns cannot be converted** — A 1041 return cannot be converted to another file type in the Pay-Per-Return or Drake Tax 1040 package.
- **SSNs or EINs cannot be edited** — Once a return has an SSN or EIN, it counts toward your redeemed returns total and cannot be added back to your PPR bank of unredeemed returns.
- **SSN verification can reduce errors** — The required **SSN/EIN Verification** field on the **New Return** window helps reduce errors and avoid accidentally starting a new return.
- **Names can be changed or corrected** — Change or correct names on a return without being charged for another return.
- **Organizers can be printed** — Print organizers for gathering information from your clients without being charged for a return. From the menu bar of the **Home** window, select **Last Year Data > Organizers**. For more information on organizers, see the [2024 Drake Tax Manual](#).
- **Redeemed returns can be moved to other computers** — A *redeemed* return can be copied and moved to another computer without counting against your total. (For details on transferring, backing up, and restoring files, refer to the [2024 Drake Tax Manual](#).)
- **Program installed on peer-to-peer networks** — On networks not using a true server (networks where one computer is designated a “server” and the other computers share

files through that computer), returns can be redeemed on any of the computers in the network. *Do not*, however, transmit returns from more than one computer.

- **Program installed on a server** — On networks using a true server, all returns are redeemed from the server, and all computers on the network have access to all the returns through the server.

Purchasing PPR Returns

Your Drake Tax program comes with 10 returns installed. These returns, and any additional returns you purchase, are available immediately for redemption, provided your system is connected to the Internet.

To purchase more returns, from the **Home** window of Drake Tax, go to **Setup > Pay Per Return** to open the **Pay Per Return** window ([Figure 1](#)).

Figure 1: The **Pay Per Return** Window

24 Drake 2024 - Pay Per Return

Purchasing 'Pay Per Return' Returns
The 'Pay Per Return' screen allows purchasing returns as needed. Press 'Help' for more information.

Account Summary		Account Details	
	Individual	Business/ Estate	
Total Returns Purchased:	12	21	Total Upgrade Cost: \$2,495.00
Total Returns Redeemed:	7	20	Total Amount Spent: \$1,339.77
Total Returns Remaining:	5	1	Remaining Cost: \$1,155.23

Purchase Return(s)
Fill out the billing information below to purchase more returns for your account.

Credit Card Number:		Expiration Date (MMYY):	
First and Last Name:		CVV Code:	

Address and ZIP code must match exactly what is on file at the issuing bank.

Address:	
ZIP Code:	

Number of 1040 returns to purchase:	\$0.00
Number of Business/Estate returns to purchase:	\$0.00
Sub-Total:	\$0.00
Total cost to upgrade to Pro:	\$1,155.23 *
Total Charge for this Purchase:	\$0.00 *
Remaining Cost to Upgrade to Pro:	\$1,155.23 *

* Plus tax if applicable

Purchase

Help **PPR List** **Exit**

About the PPR Window

The **Pay Per Return** window ([Figure 1 on page 12](#)) consists of the following components:

- **Account Summary** — Displays the number of returns purchased, the number of returns redeemed, and the number of purchased (but unredeemed) returns remaining for the account number entered in **Setup > Electronic Filing & Account Information (ERO)**. These numbers are updated as more returns are purchased or redeemed.
- **Account Details** — Displays the total amount needed to upgrade to Drake Tax Pro, the amount spent redeeming returns, and the remaining cost to upgrade to the Pro version.
- **Purchase Return(s)** — Provides fields for entering credit card information for purchasing more PPR returns. Click **Purchase** when finished. (See [“Purchasing Returns”](#) below.)
- **PPR List** — Shows a list (sorted by SSNs or EINs) of the returns redeemed and used for the ERO.

Purchasing Returns

To purchase more returns:

1. In the **Purchase Return(s)** section of the **Pay Per Return** window ([Figure 2](#)), complete the credit card information (all fields are required).
2. Complete address information related to the credit card you are using. (Note that the city and state must match exactly what is on file with the issuing bank.)

Figure 2: Purchasing Additional Returns

Purchase Return(s)

Fill out the billing information below to purchase more returns for your account.

Credit Card Number: Expiration Date (MMYY):
 First and Last Name: CVV Code:

Address and ZIP Code must match exactly what is on file at the issuing bank.

Address:
 ZIP Code:

3. Enter the number of 1040 returns and business/estate returns you wish to purchase.
4. Click **Purchase**.



Once the total amount spent exceeds \$2,495, your Drake Tax PPR program is automatically upgraded to Drake Tax Pro.

Counting PPRs

As stated earlier, PPRs can be counted against your total number of redeemed returns by:

- Starting a new return
- Updating an existing return
- Changing the SSN/EIN of a return
- Changing the file type (if the SSN has to be changed to an EIN or vice versa)
- Using the Quick Estimator (to start a return)

The following sections provide instructions on each of these procedures.

Starting a New Return

When you start a new return, you are alerted that proceeding will lower your number of available returns by one.

To start a new return:

1. From the **Home** window toolbar, click **Open/Create**.
2. Enter an SSN or EIN in the **Client Selection** field of the **Open/Create a Return** dialog box. Click **OK**.
3. In the **Open Return** window, click **Yes**.
4. Verify the SSN/EIN.
5. Select a **Return Type**.
6. Enter a name in the **Name Entry** text box. Click **OK**.
7. Click **Yes** to verify that you want this return counted against your remaining total.

Temporary ITINs

You can begin returns for taxpayers who have a temporary ITIN. This feature allows the preparer to work on a return while awaiting the IRS to supply the taxpayer with a permanent ITIN.

Mark the **Create return using temporary ITIN** box at the bottom of the **Open/Create a Return** dialog box to create an individual return with a temporary ITIN. When the box is marked, a notification box is opened, emphasizing that the return cannot be e-filed until the taxpayer has been issued a valid ITIN. Click **OK**. Click **OK** again and then click **Yes** to create a new return. Type in the taxpayer's first and last name and click **OK**.

When the valid ITIN is received, from the **Home** window menu bar, select **Tools > File Maintenance > Change ID Number on Return**. An alert reminds you that changing the SSN counts against your total PPRs. Click **Yes**. Type in the old ITIN in the **Incorrect ID Number** field and then the new ITIN in the **Correct ID Number** field. Click **Continue, Yes**, and **Exit** to update the client's ID.



Be aware that updating a client's ID number will cost you another redeemed return.

Updating a Return

To update an existing return:

1. From the **Home** window, go to **Last Year Data > Update Clients 2023 to 2024**.
2. In the **Update Client Selection** dialog box, enter an SSN/EIN or name in the **Client Selection** field, then click **Select Client** (or double-click a client from the **Client Name** list), and click **Next**.
3. In the **Update Options** menu, select the items to update.
4. Click the **Update 1040** button. (If you are updating business returns, the button will be labeled with the appropriate entity number — 1120, 1120S, 1065, etc.)

You will be offered the opportunity to update and count the return against your bank of unredeemed returns, or to open the return in read-only mode. You cannot make any new entries or calculate the return while in read-only mode.



Another way to update a return is by clicking **Open/Create** from the toolbar, entering the SSN/EIN of a previous year's client, making selections from the **Update Options** menu, and then clicking **Update**. Updating via this method still counts against your bank of unredeemed returns.

Changing an SSN/EIN



Once an SSN or EIN is displayed on screen **1**, the return is counted against your supply of returns. You can change the SSN or EIN associated with a return, *but this will cost you another return*.

To change the SSN/EIN:

1. From the **Home** window, go to **Tools > File Maintenance > Change ID Number on Return**. An alert reminds you that changing the SSN counts against your total PPRs. Click **Yes**.

2. In the **Incorrect ID Number** text box, enter the current SSN/EIN.
3. In the **Correct ID Number** text box, enter the new SSN/EIN you want associated with the return.
4. Click **Continue**, **Yes**, and then **Exit** to update the client's ID.

After changing a return's SSN or EIN, update your client list by running the Repair Index Files tool. From the **Home** window, go to **Tools > Repair Index Files**.

Changing File Type

You can change the file type of a business return once, *but if the ID number attached to the return changes, it will cost you another return*. You cannot change the file type of 1040 returns in PPR mode.

For example, converting an 1120-S return to 1120 will *not* cost an additional return so long as the EIN does not change; however, converting the return type and changing the EIN *will* result in an additional PPR charge.

To change the file type:

1. From the **Home** window, go to **Tools > File Maintenance > Change File Type** to open the **Convert Client Data File Type** dialog box. An alert reminds you that changing the SSN counts against your total returns. Click **Yes**.
2. Enter the SSN/EIN of the return you wish to change. Click **Continue**.
3. From the **Convert this file to:** section, select the type of return you want the return changed to. Click **Continue**, and then click **OK**.

Quick Estimator

The Quick Estimator (accessible from the menu bar of the **Home** window by clicking **File > Quick Estimator**) is used to quickly calculate results for an individual (1040) return.



- In PPR mode, each use of the Quick Estimator for *new returns* counts *against* your remaining unredeemed returns. Use of the Quick Estimator with *already started returns* does *not* count against your remaining returns.
- The Quick Estimator produces only one return if **Married Filing Separately** is selected as the filing status. A separate return must be generated (using an additional PPR) for the spouse.



Do not file the return generated in the Quick Estimator with the IRS or an amended return will be required.