What's New at Drake 2022

Following are brief descriptions of some of the updates and enhancements to the Drake Tax program and Drake Software's peripheral programs, along with changes to tax forms and tax laws made by the IRS. For a more complete look at these changes and how they affect you and your business, consult the *2022 Drake Tax Manual* and applicable supplements, available on the CD and from your User Account (*User.DrakeSoftware.com* **> Applications > Drake Software Support > Support > Documents**).

Important IRS Changes

The following sections address important information regarding the 2022 tax season.

Unless otherwise stated, all changes are effective for the 1040 package *only*.

Additional Returns Eligible for e-File

Beginning tax year 2022, amended 1040-NR returns may be e-filed even if the original return was paper-filed.

Expanded Direct Deposit Eligibility

Beginning 2023, refunds from e-filed 1040 amended and superseded returns can be distributed to taxpayers via direct deposit. To indicate that a refund is to be sent using direct deposit, choose the appropriate **1040-X** check box on the **Deposit Refund from** line of screen **DD**.

Refunds for paper-filed 1040 amended and superseded returns, as well as other amended and superseded return types, will still be sent via check.

For more information on superseding returns in Drake Tax, turn to "Support for Superseded Returns" on page 7.

New Forms & Schedules

Forms 8879-C and 8879-S have been replaced with 8879-CORP, e-File Authorization for Corporations. Data entry regarding these forms has not changed.

Updated Forms & Schedules

Form 1040 and Schedules 1 – 3

Form 1040, U.S. Individual Income Tax Return, has undergone several changes for the 2022 tax year. Among them:

- The "Qualifying widow(er) (QW)" filing status has been renamed to "Qualifying surviving spouse (QSS)." The functionality remains the same.
- 2021 line 1, "Wages, salaries, tips, etc.," has been expanded (now lines 1a – 1i and 1z), including dedicated lines for household employee wages, tip income, and other types of earned income.
- A check box has been added for the "lump-sum election method" (line 6c).
- Due to the expiration of ARPA (P.L. 117-2):
  - Lines 12b and 12c were removed, as the election to claim a charitable contribution for taxpayers who do not itemize deductions has expired.
  - Line 27c was removed, as the election to use prior-year earned income to figure EIC has expired.
  - Line 30, previously used for the Recovery Rebate Credit, is now reserved.
- The childless EIC age range (25-65) has been reinstated. Additionally, 2019 earned income can no longer be used in place of current-year earned income for the purpose of calculating EIC.

By contrast, changes to Schedules 1 – 3 are minimal:

- Line 8 on Schedule 1 (Form 1040), Additional Income and Adjustments to Income, has been expanded to include other non-earned income amounts.
- Changes for Schedule 2 (Form 1040), Additional Taxes, include the addition of a check box for line 8 to indicate Form 5329 is not required and the reservation of line 19 due to the expiration of ARPA (P.L. 117-2).
- On Schedule 3 (Form 1040), Additional Credits and Payments, lines 13c and 13g have been reserved due to expired legislation.

Form 1099-K

Data entry regarding Form 1099-K has not changed, but the conditions under which Form 1099-K is distributed has changed and continues to change greatly.

For tax year 2021, Form 1099-K was issued if the taxpayer received more than $20,000 over more than 200 transactions from a single qualifying third-party payor. Per Notice 2023-10, updated Form 1099-K distribution requirements set forth by the American Rescue Plan Act of 2021 (taxpayers who receive $600 or more in aggregate payments during the year from a qualifying third-party payor and the elimination of the de minimis transaction rule) have been delayed to transactions that occur after calendar year 2022. The IRS is currently working on providing reporting guidance to taxpayers who have already received Forms 1099-K as a result of the statutory changes.

If required, report state information from Form 1099-K on screen **99K**.

Form 2441

Due to the expiration of ARPA (P.L. 117-2), the Child and Dependent Care Credit is no longer refundable. Child and Dependent Care Credit changes enacted for tax year 2021 have been reverted to Tax Cuts and Jobs Act (TCJA) provisions, including:

- The maximum amount of childcare expenses the taxpayer can claim is $3,000 for one qualifying person and $6,000 for two or more qualifying persons.
- The phaseout schedule has been added back to the form, using the 2020 phaseout of 35% beginning when AGI exceeds $15,000.
- The maximum amount that can be contributed to a Dependent Care Flexible Spending Account and the maximum amount of tax-free employer-provided dependent care benefits has been reduced to $5,000.
- The taxpayer’s main home is no longer required to be in the U.S. for more than half of the tax year.

Form 5695

Due to the passage of the Inflation Reduction Act of 2022:

- The Nonbusiness Energy Property Credit has been renamed to the Energy Efficient Home Improvement Credit. This credit has been extended to property placed in service through December 31, 2022.
- The Residential Energy Efficient Property Credit has been renamed to the Residential Clean Energy Credit. The credit rate for property placed in service from 2022 – 2033 is 30%.

Screen **5695** has been updated to reflect these changes.

Schedule 8812

There are several Child Tax Credit changes for tax year 2022. Among them:

- The age limit for qualifying children was reverted from under 18 to under 17.
- The maximum nonrefundable Child Tax Credit amount was reverted to $2,000 per qualifying child. Phaseout begins when MAGI exceeds $200,000 ($400,000 for Married Filing Jointly returns).
- The maximum refundable Additional Child Tax Credit (ACTC) amount is now $1,500 per qualifying child.
- Bona fide residents of Puerto Rico are now eligible to claim the ACTC if they have at least one qualifying child (reduced from three qualifying children).
- Advanced Child Tax Credit payouts and reconciliation payments are not applicable for 2022.

Expired Forms and Provisions

The following forms, along with their related screens and fields, have been removed from Drake Tax:

- 100% AGI limitation on qualified cash contributions (removed from screen **A**)
- 1120-W, Estimated Tax for Corporations (screen **W** — 1120 package)
    - Estimated taxes and overpayments previously entered on screen **W** are now entered on screen **ES**. If estimated tax or overpayment data is entered on screen **ES**, an in-house worksheet is produced for the preparer's convenience.
- 7202, Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals (screen **7202**)
- 8830, Enhanced Oil Recovery Credit (now reserved on screen **3800**)
- 8845, Indian Employment Credit (screen **8845**)
- 8885, Health Coverage Tax Credit (screen **8885**)
- 8915-B, Qualified 2017 Disaster Retirement Plan Distributions and Repayments (screen **915B**)
- ARPA (P.L. 117-2) (affects Form 2441 and Schedule 8812)
- Screen **PPP** has been retired; the covered period in Rev. Proc. 2021-20 has ended. Screen **PPP2** (PPP Loan Forgiveness: Rev. Proc. 2021-48 Statement) is still available.
- Recovery Rebate Credit (screen **RRC**)

Corporation (1120) Changes

- The increased corporate limit of 25% of taxable income for cash contributions has expired. Qualifying cash contributions are once again limited to 10% of taxable income.
- Disaster contributions are not applicable for tax year 2022.

Mid-Year Mileage Update

Business, medical, and moving mileage rates for tax year 2022 are determined based on the date the miles were put on the vehicle. The charitable mileage rate remains at $0.14/mile for all of tax year 2022.

Business Mileage

Packages:

1040
1120
1120-S
1065
1041

The *business* mileage rate for January 1, 2022 – June 30, 2022, is $0.585/mile. From July 1, 2022 – December 31, 2022, the mileage rate is $0.625/mile.

- (*1040 package only*) Enter business miles on the applicable **9**, **2106**, or **AUTO** screen.
- (*1041 package only*) Enter business miles on the applicable **9** or **AUTO** screen.
- (*1120, 1120-S, and 1065 packages*) Enter business miles on screen **9**.

Medical and Moving Mileage

The *medical and moving* mileage rate for January 1, 2022 – June 30, 2022, is $0.18/mile. From July 1, 2022 – December 31, 2022, the mileage rate is $0.22/mile. Enter these miles on screen **A**.

Updated Section 179 Limits

Packages:

1040
1120
1120-S
1065

The following section 179 limits have been updated for tax year 2022:

- The aggregate cost of any section 179 property that a taxpayer elects to treat as an expense cannot exceed $1,080,000 (§ 179(b)(1)).
    - The $1,080,000 limitation under section 179(b)(1) is reduced (but not below "$0" (zero)) by the amount by which the cost of the section 179 property placed in service during the 2022 taxable year exceeds $2,700,000.
- The cost of any sport utility vehicle that may be taken into account under section 179 cannot exceed $27,000 (§ 179(b)(5)(A)).

Domestic Filing Exception (K-2 and K-3)

Packages:

1120-S
1065

Additional criteria apply to whether the partnership or S corporation is required to file Schedules K-2 and K-3 for tax year 2022. The criteria to qualify for the exception are listed in brief below. Refer to the respective form's Schedules K-2 and K-3 instructions for further details.

The entity must:

- Not have foreign activity or have limited foreign activity
- (*1065 only*) Have all partners be U.S. citizens or resident aliens
- Notify all partners and shareholders (by the date the Schedule K-1 is furnished to the partner or shareholder, at the latest) that they will not receive a Schedule K-3 unless requested
- Not receive a request for a Schedule K-3 from any partner or shareholder on or before one month from the date the return is filed

The option to indicate that the entity has met all criteria of the domestic filing exception has been removed from screen **1**. Instead, select line 16 (or 14 for S corporations), item **a** check box on the **Credits** tab of screen **K** to indicate that **Schedules K-2 and K-3 are not required**. Choosing this option prevents Schedules K-2 and K-3 from being generated, regardless of data entry.

Figure 1: Domestic Filing Exception Options for the 1065 Package

16 Schedule K-2 International Transactions

- a ☐ Schedules K-2 and K-3 are not required.
- b ☐ Schedule K-2 is required. Schedules K-3 are required and will be produced for all partners.
- c ☐ Schedule K-2 is required. Produce Schedules K-3 for applicable partners indicated on screen K1.
- d ☐ Schedule K-2 is NOT required. Produce Schedules K-3 for applicable partners indicated on screen K1.

A "Qualified for Exception to Filing Schedule K-2" statement is included with the return if either check box **a** or **d** is selected, explaining why a Schedule K-2 is not attached. Additionally, a "K-3 Notification Statement" is produced automatically in the "Supplemental Information" section on each Schedule K-1, explaining that a Schedule K-3 will not be provided unless the partner or shareholder explicitly requests one. Use the new **K3G** screen to add additional information to this statement.

If a partner or shareholder requests a Schedule K-3 *more than one month* from the date the return is filed, the partner's or shareholder's Schedule K-3 must be both transmitted to the IRS and furnished to the partner or shareholder, and line 16 (14), option **c**, must be selected on the **Credits** tab of screen **K**; the **IRS and partner [shareholder]** option under the **K-3 File Options** section of screen **K1** should also be marked for the partner or shareholder. If the partner's or shareholder's request is *one month or less* from the date the entity's return is filed, Schedules K-2 and K-3 are not required, but Schedule K-3 must still be furnished to the requesting partner or shareholder for informational purposes. (Select **Partner [Shareholder] only** on screen **K1** and line 16 (14), option **d**, on screen **K**.)

Entities that otherwise qualify for the domestic filing exception but are required to file Schedules K-2 and K-3 due to a partner's or shareholder's timely request for Schedule K-3 need to enter Schedule K-2 and K-3 data only as it relates to said partner or shareholder.

Estate Tax (706) Changes

- Effective July 8, 2022, Rev. Proc. 2022-32 supersedes Rev. Proc. 2017-34, allowing certain taxpayers to obtain an extension of time (up to or before the fifth anniversary of the decedent's death) in order to make a "portability" election regarding the deceased spousal unused exclusion (DSUE) amount. Make this election by selecting **Portability election filed pursuant to Rev. Proc. 2022-32** on screen **DSUE**.

- Effective October 28, 2021, persons requesting the issuance of an estate tax closing letter (ETCL) will incur a $67 user fee.

General Program Updates

Support for Superseded Returns

Packages:

1040
1120
1120-S
1065
1041

Beginning tax year 2022, superseded returns can be e-filed in Drake Tax for 1040, 1120, 1120-S, 1065, and 1041 returns.

A ***superseded*** return is a modified return filed subsequent to the originally filed return and one that is filed within the filing period (including extensions). By contrast, an ***amended*** return is a corrected return filed subsequent to the originally filed return and one that is filed after the expiration of the filing period (including extensions).

There is no place on any of the 1040-series forms or main business forms to indicate that the return is superseded. For convenience and record-keeping purposes, Drake Software recommends marking the **Print "Superseded Return" on front of return** box on the applicable **X** or **Superseded Return** screen .

Superseding Individual Returns

IRS e-file rules allow up to three amended returns to be e-filed each year; this rule applies to superseded returns, as well. A combined total of three superseded ***or*** amended returns can be e-filed for each taxpayer before the remainder must be paper-filed. As an example, if the taxpayer e-files one superseded return, he or she can only e-file up to two amended returns, as both superseded and amended returns count toward the same total.

Forms 1040, 1040-NR, 1040-PR, 1040-SR, and 1040-SS can be superseded. To file a superseded individual return in Drake Tax:

1. Complete screen **X**, and select the option **Superseded return**.

When opening screen **X** for the first time, you are asked if you would like to automatically archive the return. If you decline this option or do not receive the prompt, it is recommended you archive the current version of the return using the Archive Manager before proceeding.

2. Enter the necessary changes on the appropriate data entry screens.
3. (*1040-PR and 1040-SS returns only*) Select **Superseded** from the **If this is not the original return...** drop list on screen **SSPR**.
4. Mark the appropriate **1040-X** check box on screens **PIN** and **EF**, as well as screen **DD** or **PMT**, if applicable.

Superseding Business Returns

Unlike individual returns, there is no limit for how many times a superseded business return can be e-filed.

To file a superseded business return in Drake Tax:

1. *(recommended)* Archive the original return using the Archive Manager.
2. Mark the **Superseding** check box on screen **1**.
3. Click the **SUP** link beside the **Superseding** check box to open the **Superseded Return** screen.
4. Report any amounts previously reported on the original return, such as the amount originally paid with the initial return, as well as estimated payments or overpayments.
5. Enter the necessary changes on the appropriate data entry screens.
6. Mark the appropriate amended or superseded check box on screen **EF** (and **PMT**, if applicable).

Support for Territory Returns

Forms 1040-PR and 1040-SS can now be both produced and e-filed in Drake Tax. The addition of Forms 1040-PR and 1040-SS also brings with it support for the following W-2 territory forms:

- 499R-2/W-2PR, Commonwealth of Puerto Rico Wage and Tax Statement
- W-2AS, American Samoa Wage and Tax Statement
- W-2CM, Commonwealth of the Northern Marina Islands Wage and Tax Statement
- W-2GU, Guam Wage and Tax Statement
- W-2VI, U.S. Virgin Islands Wage and Tax Statement

To enter information from a territory W-2:

1. Complete the taxpayer's territory W-2 information on screen **W2**.
2. On the **Additional Entries** tab of screen **W2**, select the appropriate **W-2 for U.S. territories**.

If the taxpayer received Form W-2PR, enter this information on screen **W2PR** instead of screen **W2**. Forms W-2PR are not supported for 1040, 1040-NR, or 1040-SR returns.

To generate Form 1040-SS, U.S. Self-Employment Tax Return (U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or Puerto Rico):

1. Open screen **SSPR**, located on the **Miscellaneous** tab of the **Data Entry Menu**, and confirm that the **Taxpayer is not required to file Form 1040...** and is filing Form 1040-SS instead.
2. Select the appropriate territory that the **Taxpayer is a bona fide resident of**.

To generate Form 1040-PR, *Declaración de Impuestos Federal sobre el Trabajo por Cuenta Propia*:

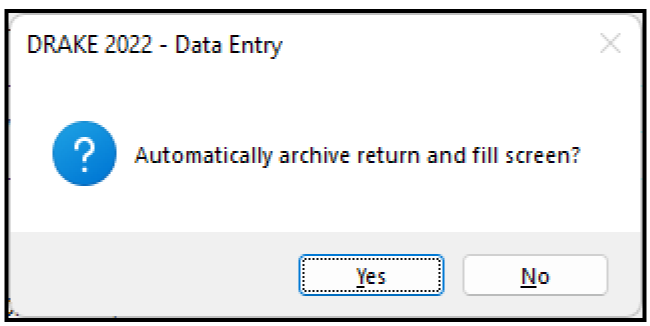
1. Open screen **SSPR**, located on the **Miscellaneous** tab of the **Data Entry Menu**, and confirm that the **Taxpayer is not required to file Form 1040...** and is filing Form 1040-PR instead.
2. Indicate that the taxpayer is a bona fide resident of **Puerto Rico**.
3. Navigate to screen **PRNT**, and select **Produce federal forms in Spanish**.

Automatically Archive Amended Returns

Packages:
1040
1120

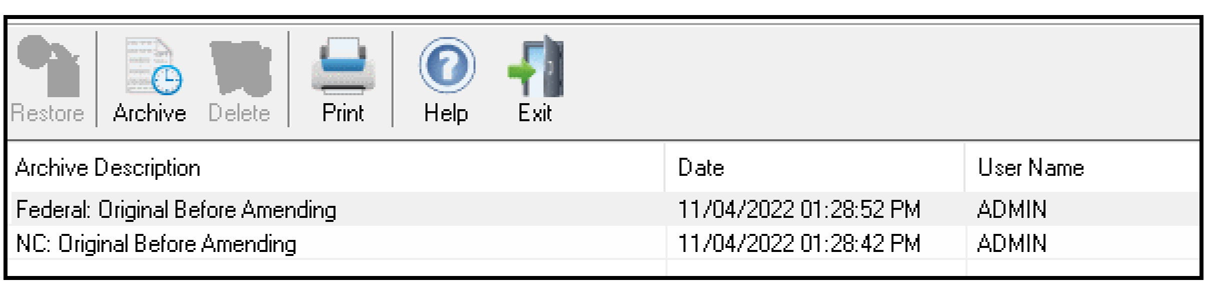
Screen **X** is used to enter amounts from the original return prior to amending. Beginning with Drake Tax 2022, upon opening screen **X** for the first time, you are asked not only if you wish to autofill screen **X** but if you would like to archive the current return as well.

Figure 2: The Automatically Archive Return and Fill Screen Prompt



When you click **Yes**, a copy of the current return's data file is saved to the Archive Manager. Archived returns can be opened and restored at any time, allowing you to revert a return to a prior version without needing to reenter data.

Figure 3: Viewing a List of Archived Returns in the Archive Manager



The auto-archive feature also applies certain state returns. Open the applicable state's amended return screen to automatically complete the screen and archive the current state return (if applicable).

Additional Support for Form 8936

Packages:

1120
1120-S
1065
990

Form 8936, Qualified Plug-In Electric Drive Motor Vehicle Credit, is now supported for corporation, S corporation, partnership, and tax-exempt returns. Use screen **8936** to complete this credit.

Screen **8936** is not available at this time and is expected to be released early 2023.

Additional Prior-Year Comparisons

Form 4835 and Schedule F Comparison worksheets ("Comparison Form 4835" and "Comparison Sch F" in View/Print mode) can now be generated in Drake Tax for ease of comparing current- and prior-year figures. If the return was updated from Drake Tax 2021 and had a 2021 Form 4835 or Schedule F included, the appropriate worksheet is generated by default. For returns created in Drake Tax 2022, or to modify existing prior-year values, navigate to the applicable screen **4835** or **F**, select the **Prior-Year Compare** tab, and edit data as needed. To suppress these comparison worksheets, delete the **Prior-Year Compare** screens.

Automatic Statement Titles

Packages:

1120-S
1065

Default titles have been added for all Detail Worksheets created on screens **DED** and **INT**. Preparers can edit these titles if desired.

Support for Washington State Returns

While the state of Washington does not have personal or corporate income tax, Drake Tax has added support for Washington state to claim the new Working Families Tax Credit. Qualifying individuals and families can receive up to $1,200.

To apply for this credit, complete all applicable information using the WA screens.

Changes to Pay-Per-Return (PPR)

The process of purchasing and redeeming returns has changed for Drake Tax 2022.

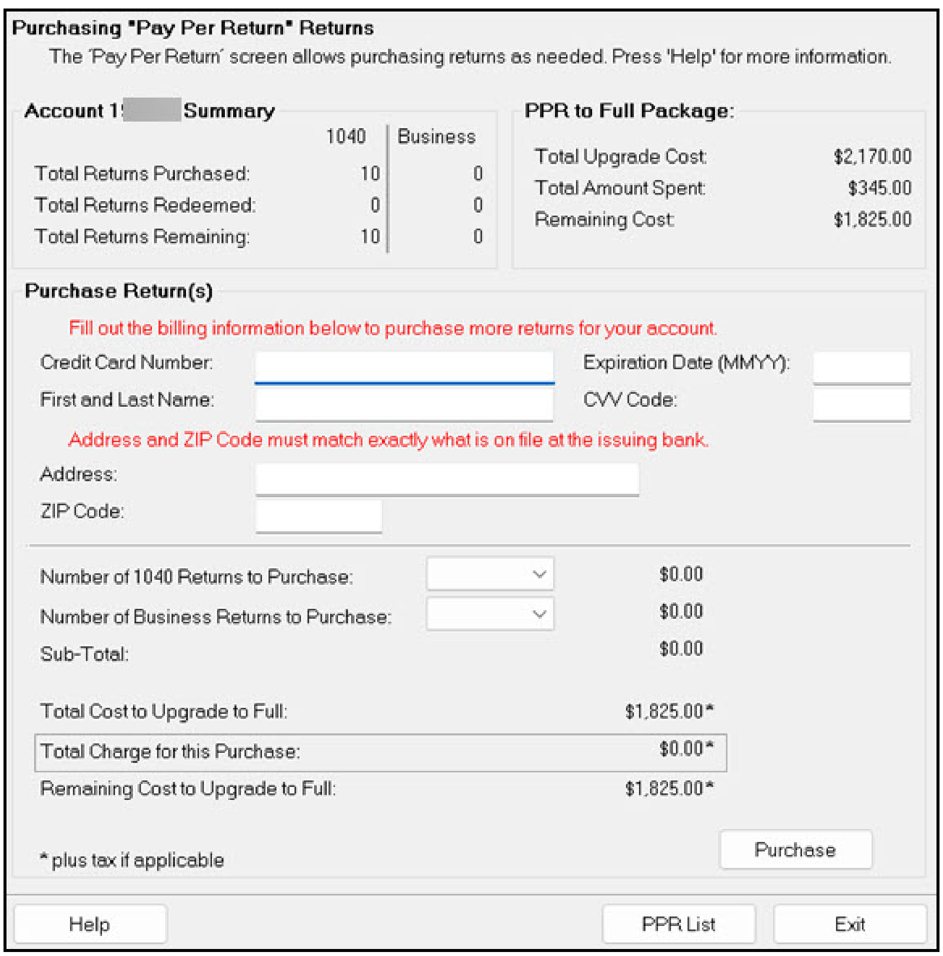
The PPR-version of Drake Tax comes with 10 individual returns. Additional individual returns can be purchased as needed for $29.99 each; business returns are $49.99 each. Due to pricing differences, 1040 returns can no longer be converted to other return types; business returns can be converted to another business return type once.

Drake Tax switches from PPR mode to the unlimited version when either of the following conditions are met:

- The total amount spent on PPR returns exceeds $2,170.
- The current-year tax season is over (when returns with default extensions can no longer be filed (late fall 2023)).

Use the redesigned **Pay Per Return** window (**Setup > Pay Per Return**) to keep track of your purchases, your progress toward the full, unlimited version, and purchase additional returns.

Figure 4: Updated Pay-Per-Return Screen



Enhancements to Practice Management

Many of Drake Software's changes throughout this past year have been dedicated to improving your user experience and making Drake Software an easier to use, more efficient, comprehensive product suite you can rely on at all stages of tax preparation.

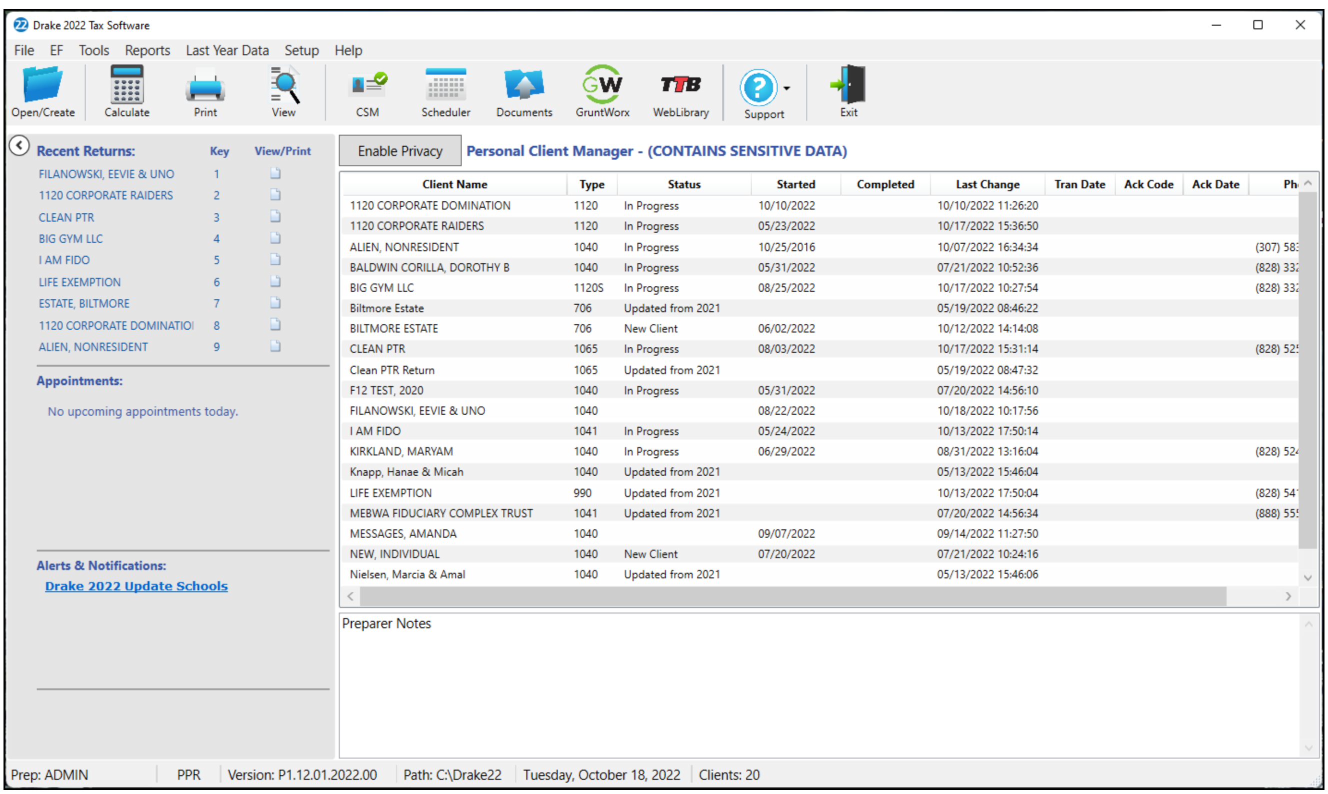
These changes, which are part of Drake Software's modernization project, are happening in stages, beginning with the rewrite of Drake Tax in a modern language. This rewrite will ultimately allow the next generation of Drake Tax to do far more than its predecessor.

While this transition is underway, Drake Software would like to extend its gratitude for your patience and understanding. Many more user-requested updates than those following are currently in development, and Drake Software is excited to unveil them when complete.

Updated User Interface

The most notable difference is upon opening Drake Tax—both the Drake Tax **Log In** window and **Home** window have received a variety of updates, from fonts, to colors, to icons, as well as some additional features.

Figure 5: Updated Drake Tax **Home** Window



New Setup Options

- **Setup > Windows Scaling —** Adjust the size of the Drake Tax **Log In** and **Home** windows.
- **Setup > Options > Calculation & View/Print** — Two new options have been added regarding **Mask ID numbers on Client and Preparer Sets**
  - **Do not mask last 4 digits of SSN**
  - **Do not mask depositor account number on Form 1040**

PCM Enhancements

- Use the left arrow in the **Recent Returns** section to collapse the list of recent returns and allow for additional Personal Client Manager (PCM) space.
- Send emails to clients quickly by right-clicking the taxpayer's or entity's name in the PCM and selecting **Send Email to Client**.
- Adjust the size of the text in the PCM from **Setup > PCM Font Size**. Note that changes to the **PCM Font Size** do not affect the font size of the Client Status Manager (CSM) or data entry at this time.

Project Launch: Drake User Manager

Over the years, Drake Software has developed many tools and programs, as well as several websites for managing them. For tax year 2022, the process of accessing many products, as well as managing users and applications, has been simplified with the Drake User Manager.

The User Manager is a new, single-sign on (SSO) based model that allows Drake users to access all of their Drake applications—and manage users and permissions—from one location using one set of login credentials. Eventually, all Drake users will have only one username and password for accessing all Drake applications, but this change will happen over time, in phases.

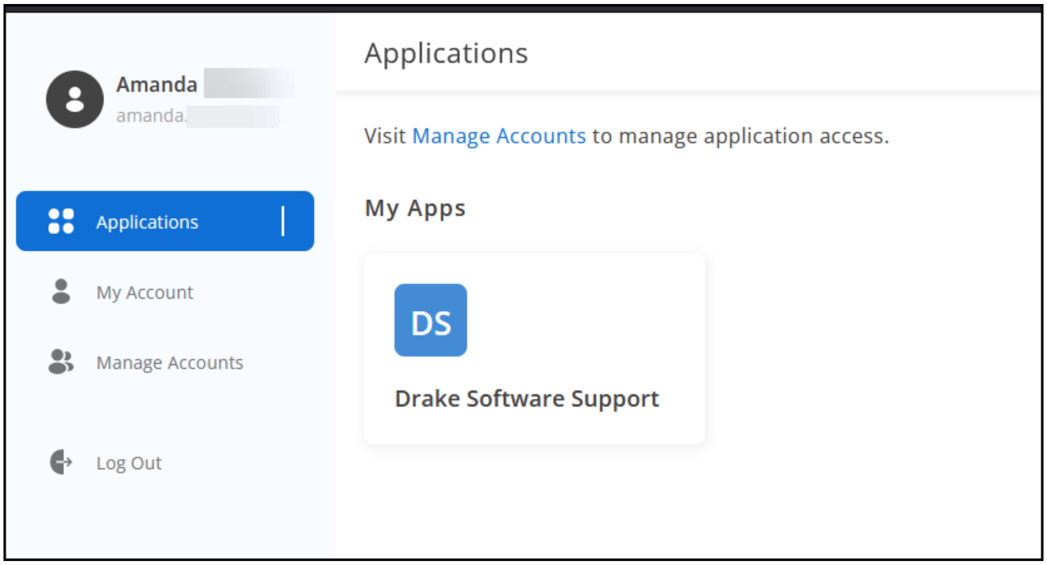
On October 19, 2022, phase 1 of this project was completed with the launch of the new Drake User Manager (*User.DrakeSoftware.com*). During phase 1, Drake User Accounts were both integrated with the User Manager and moved to the SSO model. On November 21, 2022, phase 2 was completed with the addition of DrakePortals, Drake Zero, Web1040, and Web Check Print being integrated with SSO.

Presently in the User Manager, Drake users can:

- Access several Drake applications, including:
  - Their User Account (**Drake Software Support** site)
  - **Drake Portals**
  - **Drake Zero**
  - **Web1040**
  - **Web Check Print**
- Change account details, including names, emails, passwords, security questions, and permissions.

- Activate additional security with an authenticator app.
- View user activity.

Figure 6: The **Applications** Tab of the Drake User Manager



If you have not already, log in to your User Account at *Support.DrakeSoftware.com* to get started. Note that when you log in for the first time, you will be prompted to log in with the email address and password linked to your User Account. Follow the prompts to complete the single sign-on steps.

More information regarding the User Manager can be found in the *2022 Drake Tax Manual*.

Updated Resources

The below list references only a few of the many help resources that have been updated this year.

- In a continued effort to consolidate Drake applications and web locations, Drake's Online EF Database (OLDB) (*OnlineEFDB.DrakeSoftware.com*) has been merged with the User Account website (*Support.DrakeSoftware.com*). When logged in to your User Account, reports previously created using the OLDB can now be accessed by making the appropriate selection from the **Reports** drop list.

Users must have the correct **Custom Report Access**, established from **Account > User Info**, in order to run former OLDB reports.

- The Drake e-Training Center (DrakeETC) has been retired. Much of the content previously available through DrakeETC is now accessed from the **Training** tab on your User Account.
- Practice return instructions are now available in Spanish. From your User Account, navigate to **Training > Practice Returns**, and click the desired **Scenario**. In the **Instructions** section of the PDF, click the **PDF instructions in español** link to open a Spanish version of the practice return.

- The Drake Tax manuals have been reorganized this year to help you find the information you need faster:
  - For general information about Drake Tax and Drake Software's peripheral programs, refer to the *2022 Drake Tax Manual*.
  - For help preparing 1040, 706, and 709 returns, use the ***2022 Drake Tax Manual - Individual, Gift Tax, and Estate Returns***.
  - For help preparing 1120, 1120-S, 1065, 1041, and 990 returns, open the ***2022 Drake Tax Manual - Business Returns***.
  - For PPR-specific information, use the ***2022 Drake Tax Manual - Pay-Per-Return (PPR)***.

Drake Zero and Web1040

With phase 2 of SSO complete, user permissions and login information previously handled from the Drake Zero and Web1040 Hub are now handled using the Drake User Manager. Additionally, many features available in Drake Tax have been added to Drake Zero and Web1040, allowing Web-based preparers to take advantage of additional features.

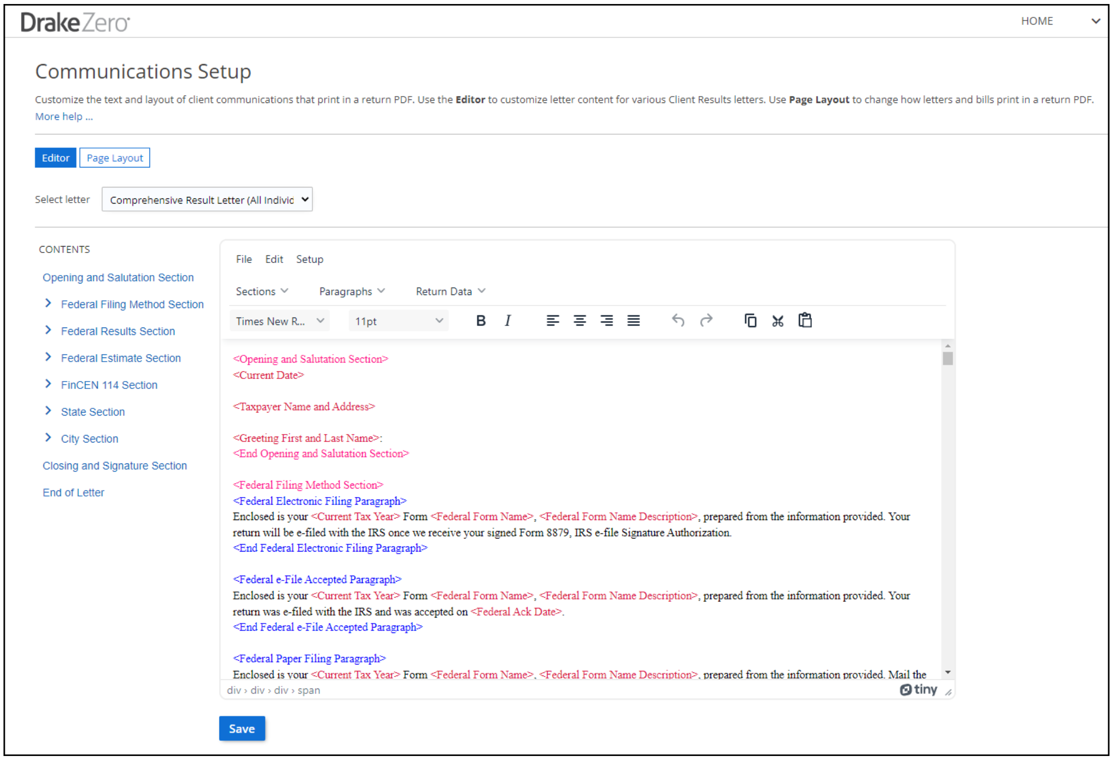
Client Communications Editor

The Client Communications Editor—used in Drake Tax to customize letters, coupons, policies, and bills—has been added to Drake Zero and Web1040 for tax year 2022.

The Web-based Client Communications Editor functions almost identical to the Drake Tax version. To access the Client Communications Editor, log in to Drake Zero or Web1040, and:

1. From the **Tax year** drop list, select **Tax Year 2022**, and click the icon.
2. (*Web1040 only*) Choose the appropriate preparer.
3. From the menu bar, go to **Setup > Communications** to open the **Communications Setup** window.
4. Select a letter from the applicable drop list, and edit as desired. When finished, click **Save**.

Figure 7: The Communications Editor in Drake Zero



For additional details on using the Client Communications Editor, refer to the *2022 Drake Tax Manual*.

Enhancements to Setup Options

In prior-year versions of Drake Zero and Web1040, preparers had to use Drake Tax to adjust default setup options. For tax years 2021 and 2022, a new **Setup Options** selection has been added to the **Setup** drop list, allowing preparers to adjust their preferences directly from the website.

Setup options found on Drake Zero and Web1040 are identical to those in Drake Tax, with the exception that certain setup options applicable only to Drake Tax (such as keyboard shortcuts) are not available.

Other options previously available from the **Setup** drop list, such as **Common Forms** and **Customs Documents**, are now found on the **Setup Options** page. Additional options added to **Setup** for tax year 2022 include **Check Print Alerts** and **Communications**.

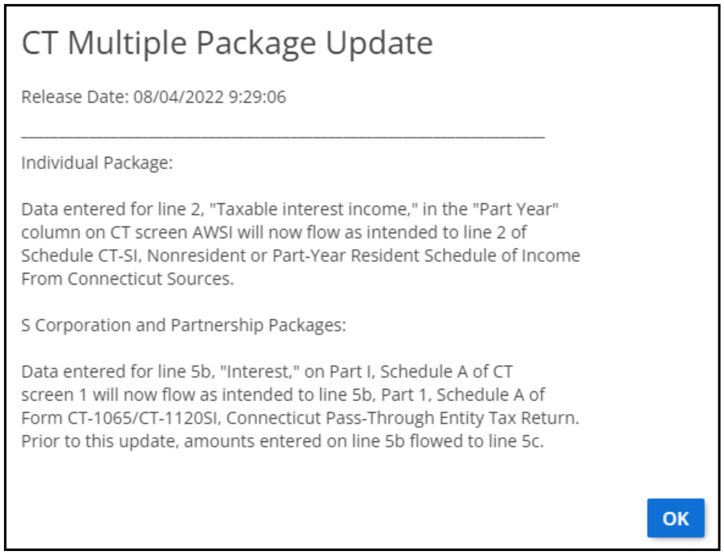
Update History

Preparers can now view a log of past updates, otherwise known as release or patch notes, for Drake Zero and Web1040 beginning with tax year 2022. To view a list of updates, log in to Drake Zero or Web1040, and:

1. From the **Tax year** drop list, select **Tax Year 2022**, and click the icon.

2. (*Web1040 only*) Choose the appropriate preparer.
3. From the menu bar, go to **Reports > Patch Notes** to open the **Patch Notes Report** window.
4. Select the desired package from the drop list for which you wish to view updates. Recent updates are listed chronologically, with the most recent **Release Date** showing first.
5. Double-click an update to view further details related to the update.

Figure 8: Viewing Update Notes



DrakePortals

Two significant features have been released for DrakePortals users for tax season 2022: a mobile app and the ability to add signature fields to any PDF document.

With phase 2 of the SSO migration complete, user permissions and login information previously handled within DrakePortals are now handled using the Drake User Manager.

SecureFilePro (DrakePortals) App

A new SecureFilePro (DrakePortals) app is now available for download from the App Store and Google Play Store. This app is for taxpayers (not for their return preparers) and works just like the DrakePortals website.

Taxpayers can now send messages, upload images and documents, complete important tax return information, electronically sign returns and other documents, and electronically pay bills (for firms with E-Pay subscriptions), all from their phone. “Push” notifications pop up on the taxpayer’s phone when preparers download documents or send messages.

Create and Send Signable Documents

By far the most significant enhancement for DrakePortals' 2022 development season, portal owners are no longer restricted by what documents can be signed by clients. In prior years, e-signable documents were limited by forms produced in Drake Tax, which then had to be sent from the tax program to the client's portal.

Now, any PDF document can be uploaded to the preparer's portal and sent to the client, and any PDF uploaded to DrakePortals can be converted into a signable file. This means that preparers can create their own documents (or take any existing document), save them as PDFs, upload them to the portal, and add up to two signature fields at any location on a document before sending it to the client. The client can then sign and send the file back to the preparer. All signatures are legally binding and are deducted from the preparer's e-sign balance.

To create and send an e-signable document from your portal:

1. Choose the client to whom you wish to send the document, and select the **Signatures** tab.
2. Click **Add**.
3. Locate and open the PDF document to which to add signature fields.
4. Select or add the clients who will sign the document. Up to two signature fields can be added for each document. Fill out each signee's information, and click **Next**.

- Previously entered client information is saved and does not have to be re-entered.

- It is important that accurate information be entered for each signee. The signee will not be able to sign documents if any information is incorrect.

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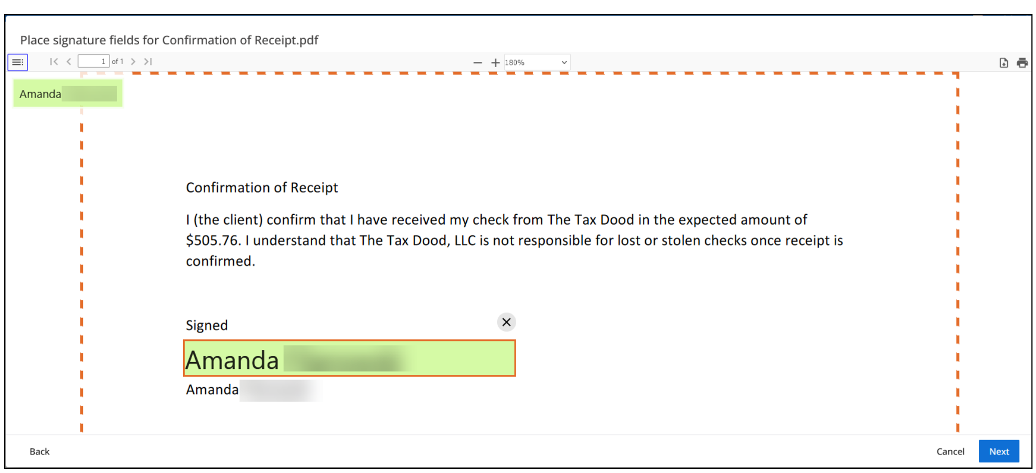
5. A PDF signature window is opened. Choose the applicable signee on the far-left, and drag the signature box to the desired location on the document. Click **Next** when you are finished adding signature fields.

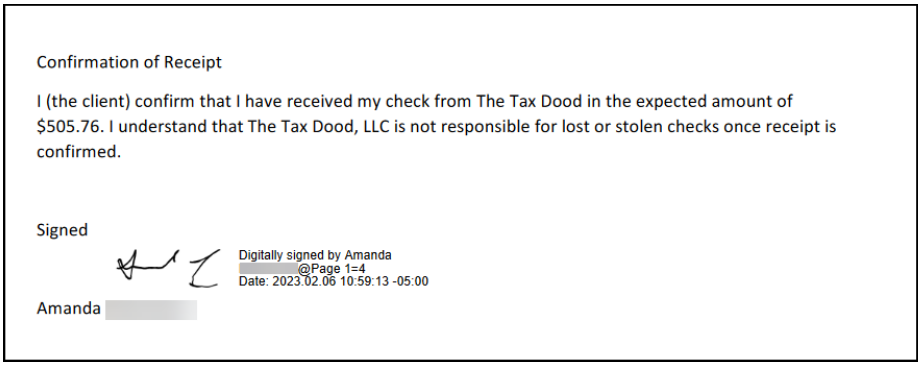
Figure 9: Adding Signature Fields to a PDF Document



6. Press **Send** to send the document to the client. Your e-sign balance is adjusted once you click **Send**.

7. An email notification is sent to the client. The client is able to sign the document after verifying his or her identity by correctly answering several questions. The preparer is notified once signing is complete.

Figure 10: The Result of a Signed PDF



Confirmation of Receipt

I (the client) confirm that I have received my check from The Tax Dood in the expected amount of $505.76. I understand that The Tax Dood, LLC is not responsible for lost or stolen checks once receipt is confirmed.

Signed

Digitally signed by Amanda
@Page 1=4
Date: 2023.02.06 10:59:13 -05:00

Amanda

GruntWorx

The **GruntWorx** window has been redesigned, and with it, a new **Trade Summary** has been added for Populate LITE.