

What's New at Drake Software 2024

The 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. For a more complete look at these changes and how they affect you and your business, consult the [2024 Drake Tax Manual](#) and applicable supplements, available from your [User Account](#). For a highlight of this year's biggest changes, click the blue play button to watch the [2024 What's New video](#), presented by your favorite Drake Software trainers.



IRS Changes

The following sections address important information regarding the 2024 tax season. Unless otherwise stated, all changes are effective for 1040 returns *only*. Items with an  icon are designated as "in development" and will be available later in Drake Tax 2024.

Form and Schedule Changes

The following forms have been added or updated for tax year 2024.

Form 1040

The check box "If treating a nonresident alien or dual-status alien spouse as a U.S resident for the entire tax year" has been added to page 1 of Form 1040.

Fuel Tax Credit Worksheet

Form 1099-K

Per the American Rescue Plan Act of 2021, taxpayers who received \$600 or more in aggregate payments during the year from a qualifying third-party payor must be issued Form 1099-K and report its information on their tax return. Originally, reporting changes were set to take place in 2022 but have since been delayed. (See Notice 2023-10 and Notice 2023-74.)

For tax year 2024, the reporting threshold for Form 1099-K is \$5,000 as the IRS phases in reporting requirements. Use screen 99K (1099-K, Third-Party Payments) to complete Form 1099-K.



Even if the taxpayer does not receive Form 1099-K, transactions that would otherwise be reported on Form 1099-K are still taxable.

MFA Now Required

As part of the IRS' ongoing effort to bolster security for tax return preparers and taxpayers, multi-factor authentication (MFA) is now a federal requirement for all tax professionals accessing any system, application, or device containing taxpayer information. See [KB 18589](#) for details.

Drake Tax 2024 Updates

The following sections contain information regarding Drake Tax 2024 updates.

Streamlined Installation

When installing Drake Tax, the installation drive will be pre-filled based on the location of the prior year program. If you have changed your network setup for the current year, you can select a different drive as needed.

Single User and Multi-User Versions

For tax year 2024, customers will have a new product to choose when purchasing Drake Tax Pro or Drake Tax 1040: Single User or Multi-User. The version you choose depends on the number of Users in your firm. See [KB 18494](#) for a more detailed description of the Single and Multi-User versions of Drake Tax.

Additional Support for Certain Forms



The following forms can now be e-filed in Drake Tax:

- Form 1120-H, U.S. Income Tax Return for Homeowners Associations (1120 returns)
- Form 5884, Work Opportunity Credit (990 returns)
- Form 8609, Low-Income Housing Credit Allocation and Certification (990 returns)
- Form 8609-A, Annual Statement for Low-Income Housing Credit (990 returns)

Removed Forms and Screens



The following forms and screens have been removed from Drake Tax:

- Form 8845, Indian Employment Credit (screen **8845**; 1040, 1120, 1120-S, 1065, 1041, and 990 returns).
- Form 8903, Domestic Production Activities Deduction (screen **8903**; 1120 and 1041 returns).
- Form 8915, Qualified 2018 Disaster Retirement Plan Distributions and Repayments (screen **915C**; 1040 returns).

Retired Features



As Drake Software continues its commitment to improving its product and user experiences at the price you deserve, some features no longer have a place in the modern tax industry.

The following features have been retired for tax year 2024:

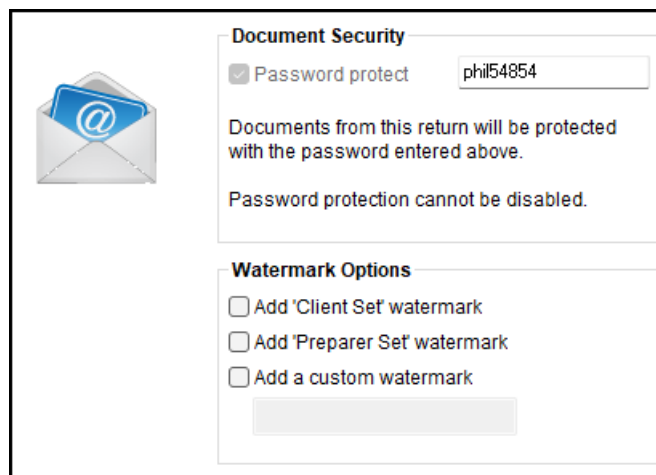
- **e-Pay** – Use Drake Pay to request payments instead. See below for details.
- **Proformas and Hash Totals** – Proformas—and the related Hash Totals report—were previously used by preparers to aid in return data entry; however, they were typically only used in-office with a paper-based workflow. Organizers are more comprehensive and dynamic and can be customized for individual and business taxpayers, allowing you to gather information directly from clients for use in preparing tax returns.
- **Forms-Based Data Entry** (CTRL + G) – Use the DoubleCheck feature to help you troubleshoot the origin of a number in View/Print mode.
- **PCL Print Support** – A single print method, the Microsoft Windows graphics device interface (GDI), streamlines printer setup and troubleshooting.
- **CD Service** – Drake Tax and Drake Accounting must be downloaded from the Support site; updates are installed automatically, eliminating the need to reinstall the software with a physical CD.

Security Enhancements

Email Attachment Passwords

To further secure taxpayer data and personally identifiable information (PII), PDF copies of returns that are created and *emailed* using Drake Tax must now be password protected (View/Print mode > **Print** > **Email Selected Forms**). You can choose the format of the password assigned to emailed returns via **Setup > Options > Administrative Options**. Passwords can be overridden on a per return basis, but the **Password protect** option cannot be disabled. See [KB 13433](#) for more details on using email in Drake Tax.

Figure 1: Password-protecting a return emailed within Drake Tax



Document Security

☒ Password protect

Documents from this return will be protected with the password entered above.

Password protection cannot be disabled.

Watermark Options

☐ Add 'Client Set' watermark

☐ Add 'Preparer Set' watermark

☐ Add a custom watermark

Drake Software recommends password-protecting all PDF documents created or stored inside Drake Tax and Drake Documents, but it is not required.

See [Publication 4557](#) for details on IRS requirements and recommendations protecting PII and taxpayer data.



Exchanging sensitive data through email is not considered secure. Drake Software recommends using Drake Portals to securely send and receive sensitive data instead.

Login Timeout Extended

The preparer login timeout has been extended to 30 minutes for all users in all products.

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.

Drake Pay™

Introduced in 2023, Drake Pay is a secure, modern payment solution you can use to streamline and simplify how you receive payments for tax preparation services. Whether you work with your clients in person or online, Drake Pay offers multiple payment options, allowing you to get your money fast.

For tax year 2024, the following payment features were added to Drake Pay:

- **Refund Pay** – refund transfer option where the taxpayer can use their federal refund to pay for your professional preparation services.
- **Request Payment feature** – You can send clients payment requests via Drake Tax, Drake Accounting, and the Drake Pay Manager, eliminating the need to accept payments in person.
- **New Charge feature** – Using the Drake Pay Manager, you can request a payment from a client by clicking the New Charge button.

Additional Drake Pay enhancements include:

- **PDF receipts** – Clients receive a PDF receipt of their completed transaction.
- **Drake Accounting support**

Redesigned Knowledge Base

Drake Software's [Knowledge Base](#) has been redesigned, allowing you to easily access articles, videos, and other help documentation for all Drake Software products. Filter by product, browse by category, jump to applicable sections, sort tables, and follow along with GIFs.

Form Availability and Filing Statuses

You can now check which federal and state forms are supported in Drake Tax and their up-to-date e-file and paper file availability statuses via <https://Forms.DrakeSoftware.com>.

e-File Task Consolidation

The e-File Status feature on the Drake Tax Home window is an expansion upon the existing e-File Database. e-File Status helps consolidate e-file tasks—including **EF > Transmit/Receive > Acks Only** and

EF > Process Acks—while allowing you to check if your firm’s e-file records are up-to-date using the EF Database you are already familiar with (**EF > Search EF Database**). The **e-File Status** can be accessed only by those with sufficient Drake Tax security permissions. The option **Rehang Acks from the Drake Server** allows you to rehang your own acknowledgments and ensure that the acks you see in Drake Tax are the same as on the Drake server.

Drake Accounting 2025

Streamlined Installation

When installing Drake Accounting, the installation drive will be pre-filled based on the location of the prior year program. If you have changed your network setup for the current year, you can select a different drive as needed. Link to helpful articles are also available.

Guided Tutorials

Drake Accounting now provides more detailed assistance in the form of guided tutorials. This feature provides a step-by-step guide to a variety of processes without ever having to leave the program.

Help Assistant

Use the new Help Assistant to quickly get answers to common and trending Drake Tax questions and to browse the Knowledge Base. Choose from preselected prompts or ask the Assistant your own question, who will then search Drake Software’s documentation to retrieve a simple, easy-to-understand answer, with a link to the referenced article for additional information. The Help Assistant is available from the Drake Accounting toolbar and on the Support site ([Support.DrakeSoftware.com](https://support.drakesoftware.com)).

Drake Pay

You can now use Drake Pay when working in Drake Accounting. See [KB 18558](#) for details.

Additional Forms Supported

- 94X annual corrections are now supported.

- Michigan State Unemployment Withholding (SUA) forms are now supported for e-file.

Negative Deductions on Payroll

You can now enter negative deductions as needed when processing payroll. Negative deductions add back the overcharged amount to an employee's pay rather than deducting it.

Drake Portals

With more preparers than ever working with their clients via virtual means, Drake Portals continues to prove its value to preparers across the U.S.

Master Office Reports

Additional Reporting options will be available for multi-sites. This enhancement will allow the master office to run reports for their sub-offices who have portal accounts.

Drake Zero + Web1040

Acknowledgments

Historically, prior year acknowledgments were not available on the web platform. Preparers would file returns, then use the reports on the Drake Software Support website to view acknowledgments. Starting in tax year 2024, acks for prior year returns will be shown on the web application as well.

Single User and Multi-User Versions

For tax year 2024, customers will have a new product to choose when purchasing Web1040: Single-User or Multi-User. The version you choose depends on the number of Users in your firm. See [KB 18633](#) for a more detailed description of the Single and Multi-User versions of Web1040.