

Installation Instructions

You must be running Microsoft Windows Vista, XP, 2000, NT, 98, or 95 to install TaxInterest. On most Windows systems, installation starts when you insert the TaxInterest CD into your CD-ROM drive.

If installation does not start in a few moments, you can install TaxInterest using the following procedure.

To install TaxInterest

1. Insert the TaxInterest CD into your CD-ROM drive.
2. From the **Start** menu, choose Run.
3. Type **d:setup**, where d is the letter assigned to your CD-ROM drive.
4. Click **OK**. The Setup program guides you through the installation process.

If you are installing the TaxInterest Network Edition, be sure to install the program to your network drive and refer to the following guidelines.

TaxInterest on a network

Your network edition of TaxInterest is designed to operate efficiently on most local area networks. It supports multiple users running the program simultaneously from the same directory, and individual setup files for each user. After installing TaxInterest on your network drive, please refer to the following steps to create an icon for each user/workstation.

To setup network workstations for TaxInterest

(perform the following setup from each workstation after you install the software on your network server).

1. Go to the directory where the TaxInterest program is installed (e.g., F:\TAXINT).
2. Run **WorkstationSetup.exe** from the TaxInterest program directory.
3. Follow the on-screen instructions.

TaxInterest Updates

Your TaxInterest software purchase includes one year of updates and support. As federal and state interest rates and calculation methods are updated regularly in TaxInterest, you will receive the latest releases and updates as soon as they are available.

You will be notified when your TaxInterest Update Service is due for renewal.

Technical Support

If you have any questions about TaxInterest, we can help. Support and service is available when you're on the job: Monday-Friday, 7:00 a.m. to 6:00 p.m. PST.

Contact our support team at (800) 426-4741 or (949) 727-1800.

E-mail support is available at support@timevalue.com.

Interest Calculations

TaxInterest will help you accurately calculate interest and penalties on underpayments and overpayments of tax. In addition, TaxInterest prepares comprehensive reports that document how the computation is performed.

Main screen

When you start TaxInterest, the main screen appears. This is where you enter the information for the calculation such as tax and payment amounts and dates.

Choosing an interest rate table

TaxInterest contains tables of interest rates that store historical information including rates, applicable dates, and calculation methods. The appropriate rates are stored for both underpayment and overpayment calculations.

When you start TaxInterest, it automatically loads the IRS interest rates. To select another rate table for a state interest calculation, click the **Tables** button. Individual and corporate rates are stored for most states.

Entering tax and payment information

TaxInterest calculates interest and penalties based on the series of events you enter on the main screen. To select an event, click on the event field and select an event from the list.

To calculate interest due on an underpayment of tax

1. Click the **Tables** button on the toolbar and select an interest rate table (the default table is Federal).
2. Enter optional name and ID information in the fields provided.

3. Tab or click on the first event line and select the **Tax** event.
4. Enter the date when the return was due. This is the date when the interest calculation begins.
5. Enter the net amount of the tax due.
6. If any subsequent payments were made, enter those dates and amounts on separate lines below the tax.
7. Click the **Compute** button and the Compute Results window will appear. Enter the appropriate calculation date and click **Recompute** if necessary.

The Compute Results window displays the total tax and interest due.

To calculate interest on an overpayment of tax

When a payment is made that exceeds the amount of tax and interest due, TaxInterest applies the overpayment or refund rate for the calculation

1. Follow steps 1-3 above, except select **Payment** as the event.
2. Enter the date and the net amount of the overpayment.
3. Click the **Compute** button to calculate the interest on the overpayment. The interest amount will be displayed in the Compute Results window as Refund Interest.

The refund rate for C corporations is computed at 1% less than the refund rate for other taxpayers. Click on the **C Corp Refund** button to identify the taxpayer as a corporation.

Penalty Calculations and Reports

TaxInterest calculates a number of federal tax penalties. You can use the software to determine your client's total liability to the IRS when you file a late return, or to help you accurately check IRS figures.

To calculate a penalty amount

1. Follow steps 1-6 on calculating interest due on an underpayment of tax from the previous page.
2. Click the **Penalties** button on the toolbar to display the Penalty Selection Window.
3. Select the appropriate penalty and click the **Activate penalty** check box.
4. Enter the applicable information in the penalty window and click **OK** to return to the Penalty Selection Window. If you need to calculate more than one penalty, you can select it now.
5. Click **Close** to exit the Penalty Selection Window.
6. Click the **Compute** button to calculate the interest and penalty amounts.

The Compute Results window will display the amount of the computed penalties.

The penalties you have selected will be listed at the bottom of the main screen. Click the underlined penalty name to go directly to the penalty window.

Pressing **F1** from a penalty window will display information about how the penalty is calculated.

Interest on Penalties

Interest on penalties is calculated using the same rates applicable to tax deficiencies. As a general rule, interest on the failure to file penalty and the accuracy related penalties runs from the due date of the return, with extensions. For most other penalties, interest does not start until the IRS sends the taxpayer a notice.

To calculate interest on a penalty

1. Follow steps 1-6 on calculating a penalty amount.
2. When the Compute Results window is displayed, click the **Report** button in the window.
3. Scroll down the report to see the Interest on Penalties section.

Reports

TaxInterest prints comprehensive reports to document your calculations for your client and the IRS.

To print a report

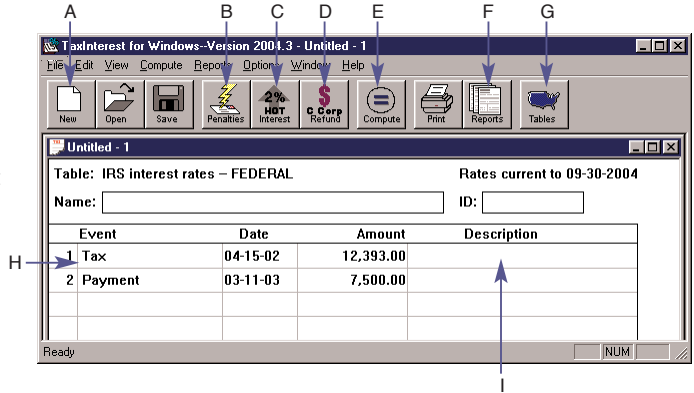
1. Click the **Calculate** button to display the Compute Results window.
2. Click the **Report** button in the window to display the Interest and Penalty Detail Report.
3. Choose **Print** from the File menu to print the report.

You can also print a variety of reports by clicking the **Reports** button on the toolbar or choosing **Print** from the File menu.

Screen Reference

Main Screen

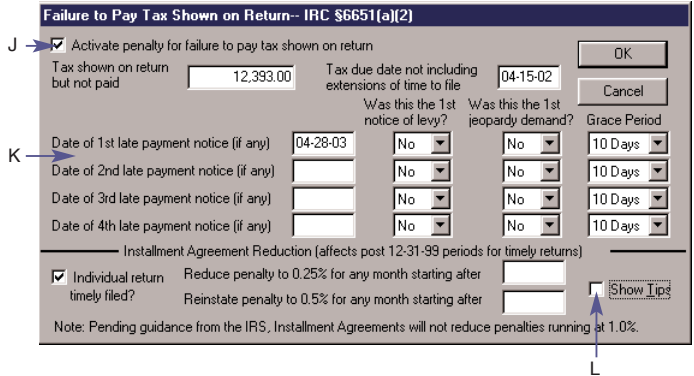
- A. Creates a new document.
- B. Activates penalties
- C. Activates increased Hot interest rate
- D. Activates GATT interest
- E. Calculates interest and penalties
- F. Displays reports
- G. Selects state table
- H. Enter tax and payments
- I. Enter optional custom description for report



Penalty Windows

Each penalty window address the variables used to calculate the selected penalty.

- J. Activates the penalty calculation
- K. Fields indicate dates and other applicable information needed to calculate the penalty
- L. Displays helpful information about how the penalty is calculated



Compute Results

This window appears when you click the Compute button

- M. Enter the date through which interest and penalties are calculated
- N. Displays calculated totals of interest and penalties.
- O. Displays a detailed report of the calculations.

