



Tax Software or a Professional Preparer?

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Should you prepare your own tax return with commercial software or hire a qualified professional? The answer depends on the complexity of your finances, the quality of your records, and how comfortable you feel working through tax questions.

Doing it yourself can save money and help you understand your finances. Hiring a professional can provide guidance when the rules become confusing or your circumstances change. Both approaches require accurate information and a careful review before filing.

My Experience With Tax Software

I have used H&R Block tax software for more than ten years. For about \$50, I have been able to prepare my federal and state returns. I especially appreciate electronic filing and having my refund deposited directly into my bank account.

I have never been audited during that time. That is my experience, though—not proof that using a particular product prevents an audit or guarantees a correct return.

For me, the software has offered a practical combination of cost and convenience. The price reflects what I have paid; current prices, included services, and state electronic-filing fees can vary by product and offer. [H&R Block: Software Features and Fees](#)

From the “Stubby Pencil” to Guided Software

Preparing a return by hand once meant gathering forms, sharpening a pencil, finding a calculator, and settling in with the instruction booklet. Software automates much of that work.

Instead of entering every number directly onto a tax form, you generally answer a series of questions about income, expenses, dependents, and other circumstances. The program performs calculations and transfers information to the appropriate places.

That convenience is valuable. But software still needs you to understand the questions well enough to supply complete, accurate answers.

A program may ask whether you incurred a particular business expense. It cannot necessarily tell that you forgot a receipt sitting in your desk drawer.

When Doing It Yourself Makes Sense

Tax software can be a reasonable choice when your finances are familiar, your records are organized, and you are willing to spend time reviewing the results.

Before starting, consider these questions:

- Can I account for all my income?
- Do I understand the deductions and credits I plan to claim?
- Does the software support the forms my situation requires?
- Am I comfortable researching an unfamiliar question?
- Have my finances changed substantially since last year?

You do not need to know every tax rule before opening the program. You do need to recognize when an answer requires more than a guess.

Freelancer Example: A Manageable Return Becomes More Complicated

Consider Marcus, a freelance editor with several regular clients. He works in one state, keeps a separate business account, and tracks his income and expenses throughout the year. Suppose his records show **\$42,000 in client payments** and **\$6,000 in deductible business expenses**. His net business profit is **\$36,000**, before considering other items on his individual return.

With organized records and software that supports self-employment income, Marcus may feel comfortable preparing the return himself. He still needs to account for self-employment tax, estimated payments, and any other income or deductions.

Now imagine that Marcus takes assignments in several states, buys expensive equipment used partly for personal purposes, and starts paying subcontractors. His work has changed, and his tax questions have changed with it. Which states require a return? How should he handle the equipment? Does he have information-reporting obligations for contractor payments?

Those questions give him concrete reasons to seek professional advice. The decision turns on what he needs help understanding—not simply whether software can perform the arithmetic.

Understand What Software Guarantees Cover

Read the terms before assuming a software guarantee protects you from every mistake. An accurate-calculations guarantee may cover certain penalties or interest resulting from a qualifying software error. It generally does not excuse incomplete information, an overlooked income source, or an unsupported deduction.

Support also varies. Some products offer technical assistance, access to tax professionals, or audit support. Those services have different terms and may carry additional fees. H&R Block, for example, offers audit support subject to eligibility requirements and exclusions. [H&R Block: Guarantees](#), [Audit Support Terms](#)

Check what is included before purchasing, especially if help with an IRS notice is important to you.

What a Qualified Professional Can Add

A knowledgeable preparer can help interpret unfamiliar rules, identify missing information, and explain how different parts of your return affect one another. Professional help may be particularly useful after a major change, such as starting a business, acquiring rental property, receiving an inheritance with complicated tax consequences, or earning income across state or national borders.

There can also be value beyond the return itself. A planning conversation may help you improve record keeping, adjust estimated payments, or understand the tax consequences of a future decision.

However, hiring someone does not guarantee a larger refund, a flawless return, or freedom from an audit. You remain responsible for the information reported on your return, even when someone else prepares it. [IRS: Choosing a Tax Professional](#)

Ask What the Preparation Fee Includes

Before hiring a preparer, ask about experience with situations like yours and request a clear explanation of the fee.

Useful questions include:

- Does the fee cover both federal and state returns?
- Will you explain unfamiliar entries before I sign?
- Are planning advice and follow-up questions included?

- What happens if I receive an IRS notice?
- Is audit representation included, available separately, or outside your services?

Not every preparer has the same authority to represent clients before the IRS. Attorneys, certified public accountants, and enrolled agents generally have unlimited representation rights; other preparers may have limited rights or none.

A paid preparer should sign the return and include a preparer tax identification number. Never sign a blank return. [IRS: How to Choose a Tax Return Preparer](#)

You Can Combine the Two Approaches

The choice does not have to be permanent or all-or-nothing.

You might use software during years when your circumstances are straightforward and hire a professional when something significant changes. Another option is to pay for advice on a specific issue while continuing to prepare the return yourself, if the adviser offers that service.

Good records help either way. A professional still needs complete information, and software becomes more useful when you can readily find the numbers it asks for.

Choose the Help Your Return Requires

My experience with tax software has been positive: an affordable way to prepare federal and state returns, file electronically, and receive refunds by direct deposit.

The right approach for someone else may be different. Compare the total cost, the time involved, and the questions you need answered. Whether you use software or hire a preparer, review the completed return, confirm your bank information, and keep a copy with your supporting records.