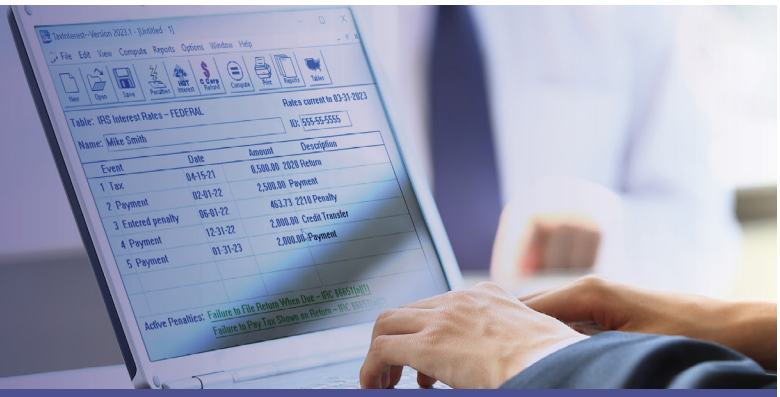
TaxInterest™

IRS/State Interest & Penalty Software



Quick Start Reference Guide

Installation Instructions

You must be running Microsoft Windows XP or above, Windows Server 2003 or above, or Terminal Services to install TimeValue Software's TaxInterest™ IRS/State interest and penalty software.

To Install TaxInterest Software

On most Windows systems, installation starts when you download the TaxInterest program and enter the password or insert the CD into your CD-ROM drive. If installation from the CD does not start in a few moments, you can install TaxInterest software by double clicking on **setup.EXE**.

If you are installing the TaxInterest software to your network drive, please refer to the following guidelines.

TaxInterest Software on a Network

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

To Setup Network Workstations for TaxInterest Software

(*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 Program 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 the TaxInterest product, you will receive the latest releases and updates as soon as they are available. You will be notified when your TaxInterest software update service is due for renewal.

Interest Calculations

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

TIMEVALUE™ software

Main Screen

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

A. Creates a new document.

B. Activates penalties.

C. Activates increased Hot Interest rate.

D. Activates C Corp and GATT interest.

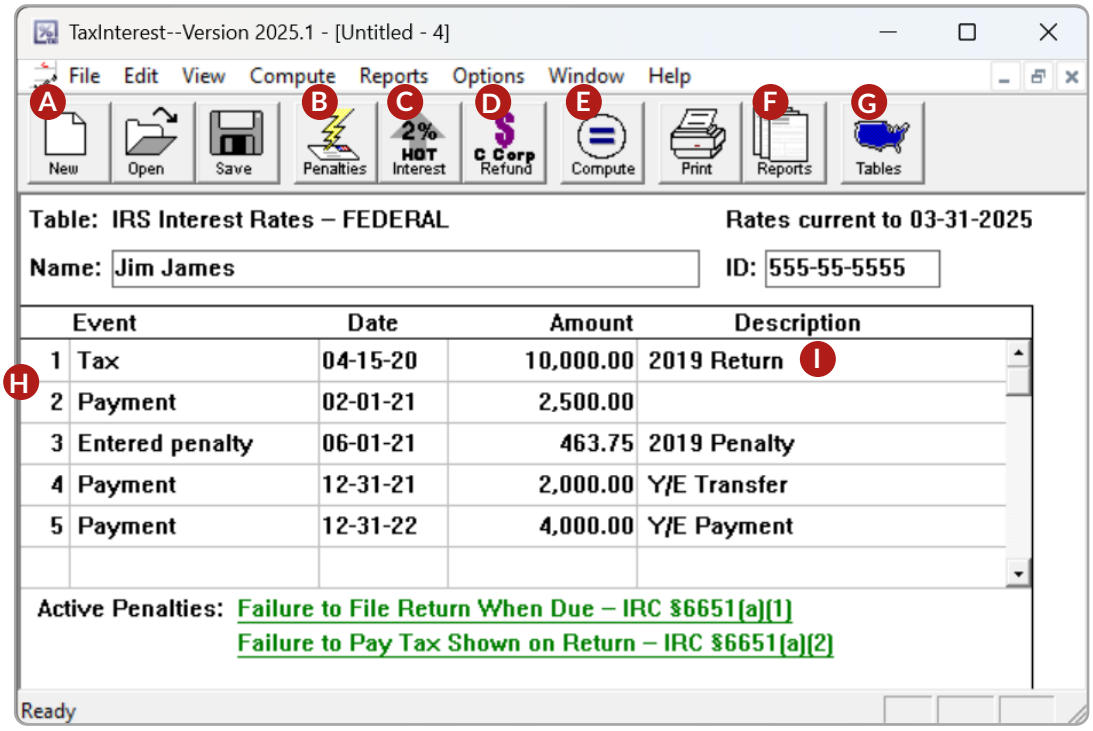
E. Calculates interest and penalties.

F. Displays reports.

G. Select applicable Interest Rate Table.

H. Enter tax, payments, dates, and amounts.

I. Enter optional custom description for report.



Choosing an Interest Rate Table

TaxInterest software 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 the TaxInterest program, it automatically loads the IRS interest rates. To select another interest rate table for a state or Canadian interest calculation, click the Tables button. Individual and corporate rates are stored for most states.

Entering Tax and Payment Information

TaxInterest software 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 on the tax due date.
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, interest due, and penalties if applicable.

To Calculate Interest on an Overpayment of Tax

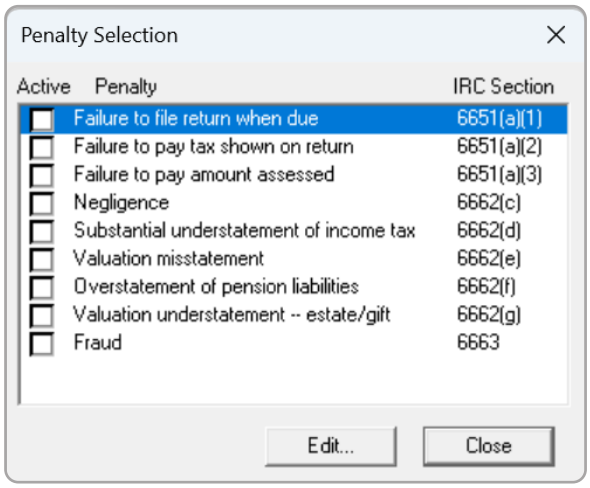
When a payment is made that exceeds the amount of tax and interest due, TaxInterest software applies the overpayment or refund rate for the calculation.

1. Follow steps 1-3 above, except select Payment or Credit 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 the **C Corp Refund** button to identify the taxpayer as a corporation and check the box. The program will apply the GATT refund rate too.

Penalty Calculations

TaxInterest software 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

Follow steps 1-6 on calculating interest due on an underpayment of tax from the previous page.

1. Click the Penalties button on the toolbar to display the Penalty Selection Window.
2. Select the appropriate penalty and click the Activate penalty check box.
3. 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.
4. Click Close to exit the Penalty Selection Window.
5. Click the Compute button to calculate the interest and penalty amounts.
6. 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 computes 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.

Interest on Penalty Calculations

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.

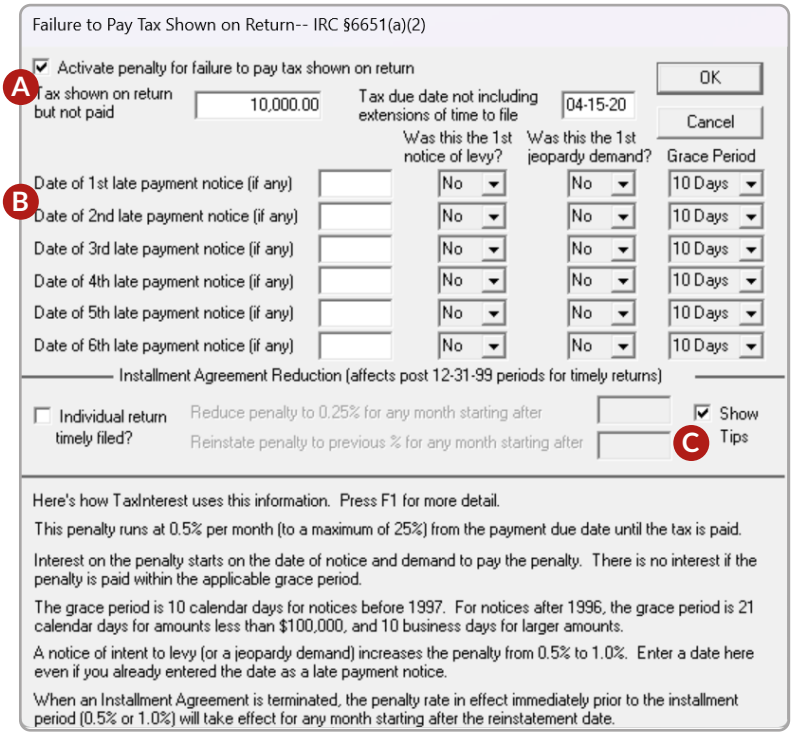
Penalty Windows

Each penalty window addresses the variables used to calculate the selected penalty and related interest.

A. Activates the penalty calculation.

B. Fields indicate dates and other applicable information needed to calculate the penalty and related interest.

C. Displays helpful information about how the penalty is calculated.



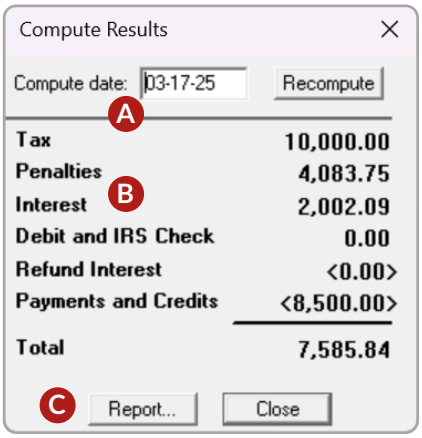
Compute Results

This window appears when you click the Compute button in the toolbar.

A. Enter the date through which interest and penalties are calculated.

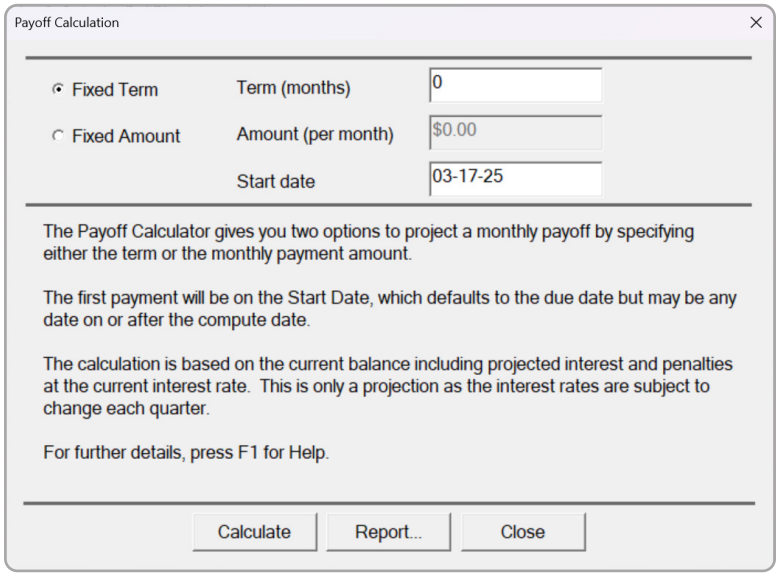
B. Displays calculated totals of interest and penalties.

C. Displays a detailed report of the calculations.



Payoff Calculator

The Payoff Calculator, located under the Compute dropdown menu in the top bar, enables you to project a monthly payoff by specifying either a fixed term or a fixed monthly payment amount.

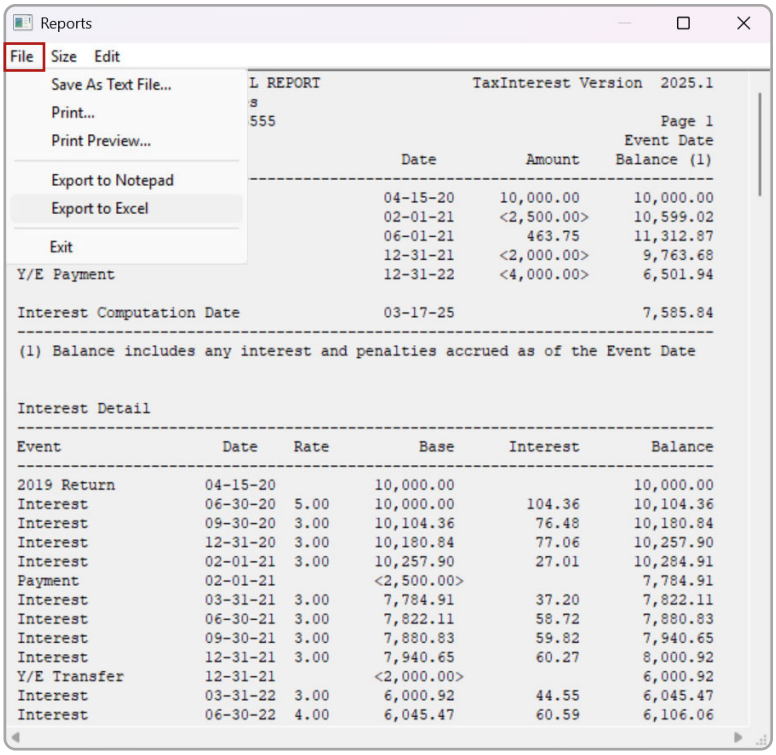


Reports

To Print a Report

TaxInterest software prints comprehensive reports to document your calculations.

1. Click the **Compute** 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.



Export Report to Excel

You also can export the report directly to Excel making it easier to consolidate multiple quarters or years by copying and pasting them into a master schedule.

Customize Reports

You can also print a variety of reports by clicking the Reports button on the toolbar.



Training Videos

TimeValue Software offers a variety of training videos demonstrating the features and calculation capabilities of TaxInterest Software.

To view, go to: **www.TimeValue.com** and click on Support and Resources > Training Videos > TaxInterest > TaxInterest Software.

Product Support

If you have any questions, please contact TimeValue Software product support. Support specialists are available Monday-Friday, 7am-5pm Pacific Time.

Phone: 800-426-4741 (within USA), 949-727-1800

Email: support@TimeValue.com