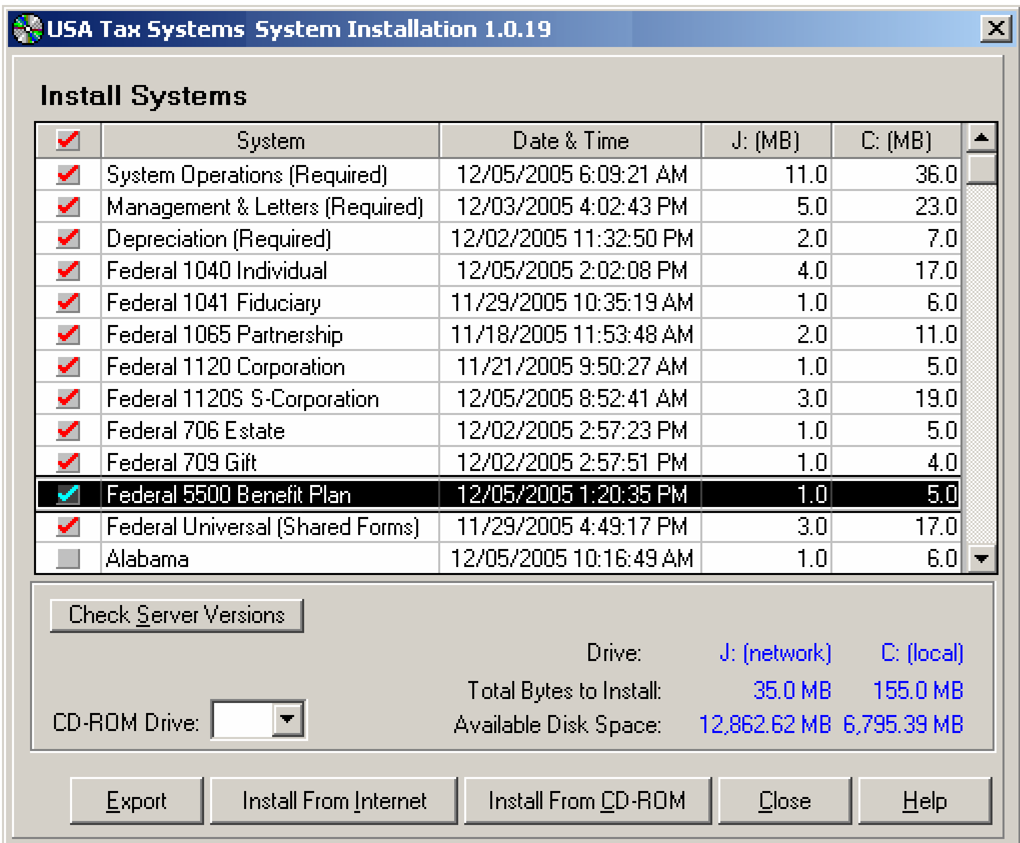
USATaxSystems
TAX SOFTWARE FOR PREPARERS

Conversions2004

Conversion Process

1. As a precaution, backup your client data in your prior year software package.
2. Install the USA Tax 2004 Demo (follow the installation instructions provided with the demo).
    a. If you do not have a copy of the demo, call our Sales Team.
3. After the installation is complete, open the USA Tax 2004 Demo by clicking the *USA Tax icon* located on your desktop.
4. If the Client Selection screen appears, click the *Close* button.
5. On the menu bar click “Installations”, and then “Upgrade Systems”.



6. Tag the following items using your mouse. Do this by clicking on the gray box to the left of the item:

    a. System Operations

    b. Depreciation Worksheet

    c. Federal Universal (Shared Forms)

    d. Federal 1040 Individual

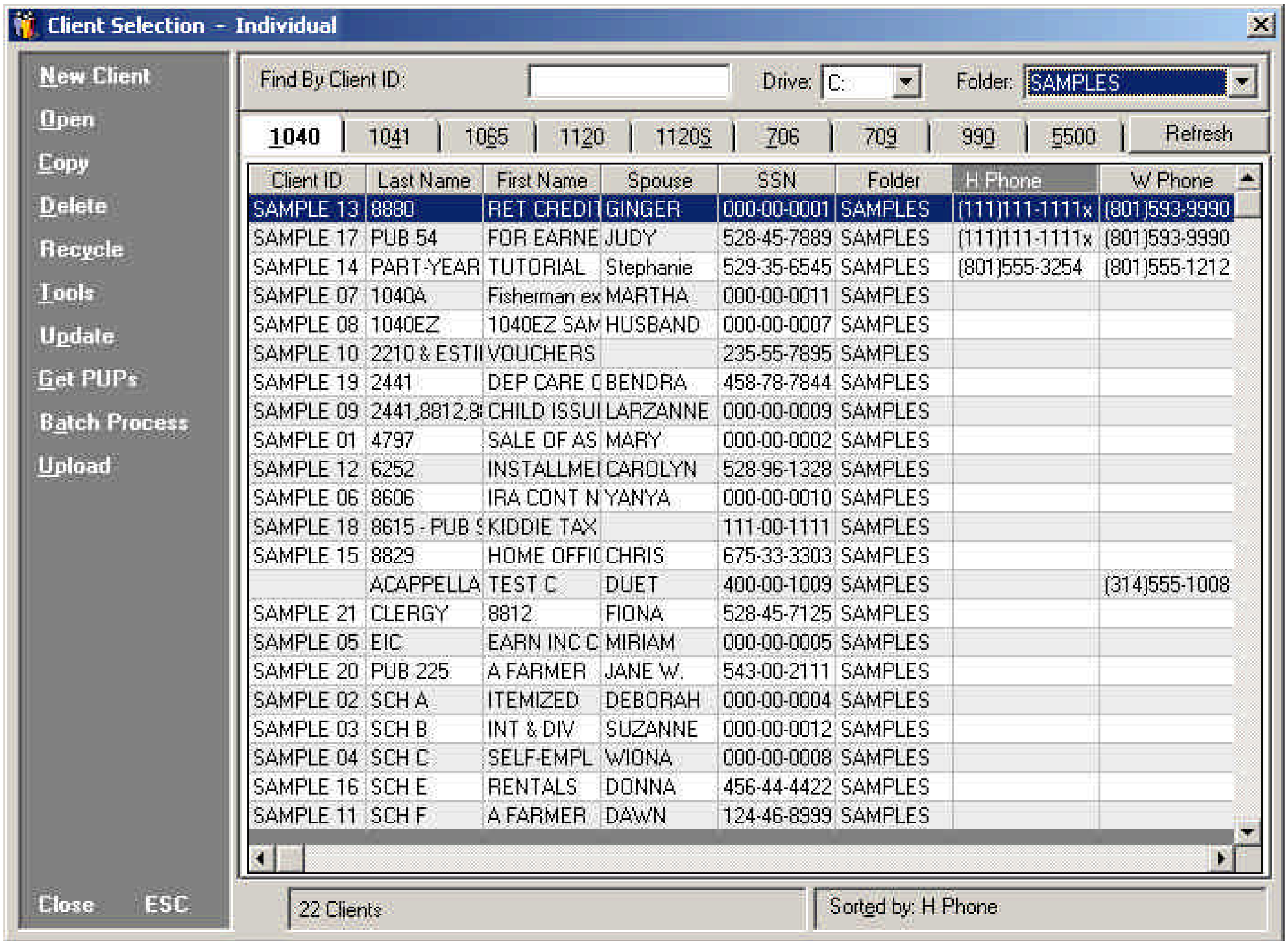
7. Click the *Upgrade From Internet* button (Upgrades may take up to 1 hour).

8. Once the upgrade is complete, click the *Close* button.

9. Files that were upgraded will automatically decompress.

10. USA Tax 2004 will automatically open.

11. If the Client Selection screen appears, click the *Close* button.



12. Click the *File* menu and select *Convert Clients*.

13. USA Tax will automatically close.

14. The USA Tax 2004 Conversion Utility will open.

15. Verify Drake Data Path:

    C:\drake04\dt (Default Drake)

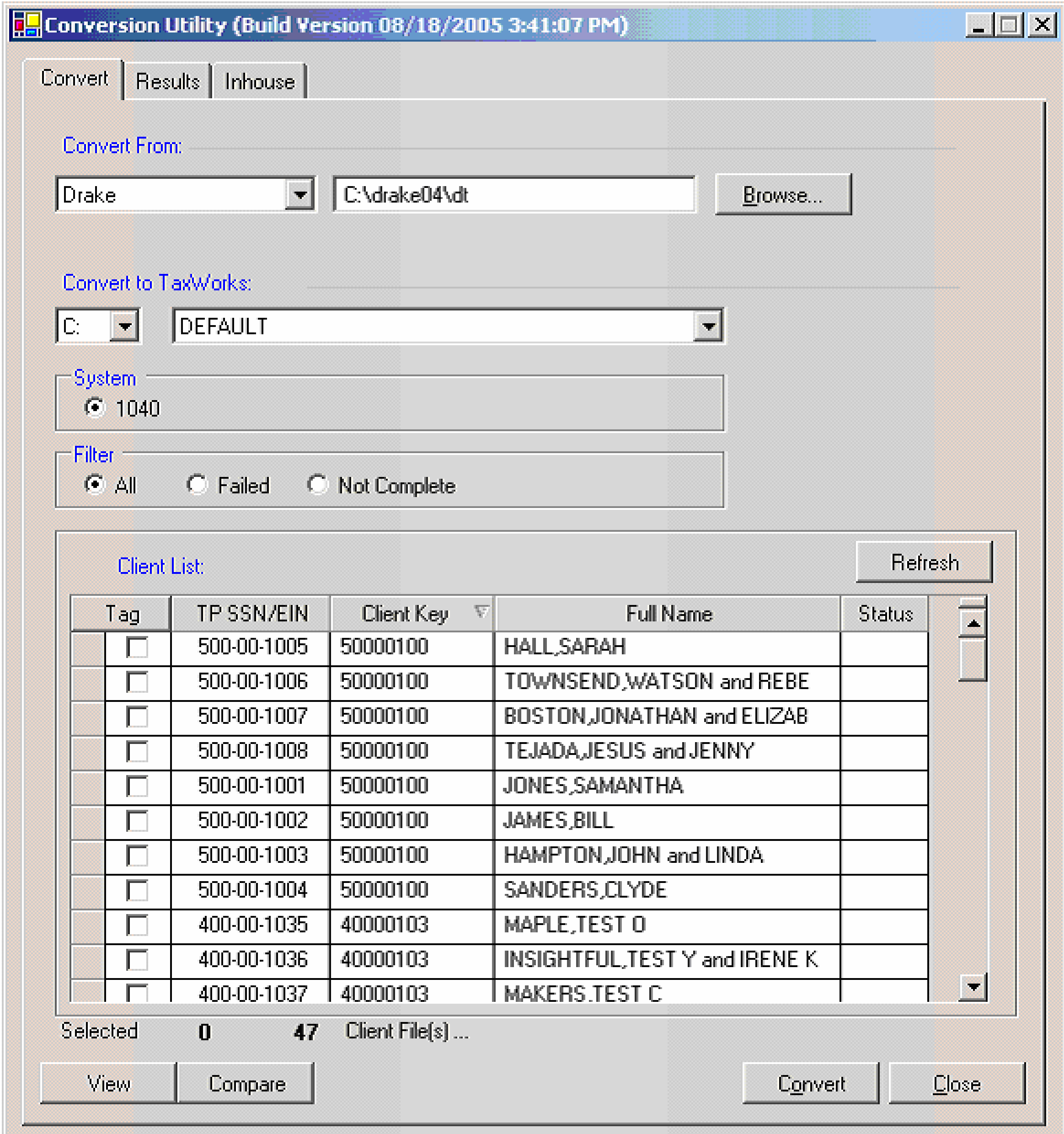
    Note: Vendor Data Path will change with system selected at the bottom of the screen.

16. Select the USA Tax Drive (default is C:)

17. Select the USA Tax Folder (default is DEFAULT)

18. Tag the clients you want to convert. Do this by clicking the gray box to the left of the client.

19. Click the *Convert* button.



20. Once the conversion is complete, the status of each client will be displayed in the *Status* column.

21. To view a conversion report. Click the *Results* tab.

22. When you are done click the *Close* button

23. USA Tax 2004 will automatically open.

24. If the Client Selection does not open automatically click, the *Clients* button located on the button bar.

25. Carefully review your converted data files to be sure your converted data is accurate. If you have items that did not convert, manually enter them in the USA Tax program. Double click on the desired client file; or, highlight the desired client and click *Open* located in the left column.

26. Verify that client data stated in the manual converted correctly.

27. If you have any questions or suggestions concerning the conversion process please contact us.

28. Occasionally we will upgrade items in the conversion program. We will post upgrade changes on the web. You may reconvert clients affected by these changes. CAUTION: Entries made in USA Tax to previously converted clients will be lost.

Disclaimer Statement

The goals of the USA Tax data conversion are as follows:

1. To convert only the Drake data (to USA Tax format) that you will need to run the Update Clients, this transfers your 2004 USA Tax data to 2005 USA Tax.

The data conversion is NOT intended to do the following:

1. It is NOT intended to convert all of your data
2. It is NOT intended to allow you to generate a complete and accurate 2004 USA Tax return!

Note: Do not process/prepare 2004 tax returns using only the converted information, as tax calculations may not be accurate. Some manual data entry may be required.

Asset Conversions (All Systems)

- We recommend you print a copy of the USA Tax Federal Depreciation Schedule and verify that the USA Tax current depreciation amounts match those calculated by your prior software. Due to the many ways depreciation can be calculated, there may be slight differences that could require manual overrides in the USA Tax Depreciation Worksheet.
- If you have overridden any depreciation calculations, please review them for accuracy.
- If you used 200% declining balance on any farm asset, you will need to override the current depreciation.
- If you had selected to delete the asset next year, the asset will not convert.
- Any AMT assets may or may not carry, please review them for accuracy.
- Any asset carrying to Sch A points will be depreciated over the life of the asset using the Straight Line Method.
- Assets involved in a like-kind exchange may not convert properly, because of the difference in handling between the two systems. Please review them carefully to make sure the correct information is entered into the USA Tax Depreciation Worksheet.
- Due to the limited amount of information being converted, if you have current year Section 179, the conversion may calculate a carryforward of these amounts. To remove the unused carryforward, open the USA Tax 2004 Depreciation Worksheet, click the 179 button, and remove any unnecessary information.

Individual Conversions

Note: USA Tax only converts the information necessary to prepare a Proforma.

- Preparer Information – Will not convert.
- State information - Will not convert.
- Items selected for deletion for next year - May not be taken into account. You may have to manually remove some items after updating to 2004 in USA Tax.
- Detail statements – All amounts and descriptions may not convert.

Drake® to USA Tax®

Automated Individual Conversion Items (1040)

The **underlined and bold titles** are the titles that correspond with the Forms Pane of the USA Tax tax program. The *underlined Italicized* titles are the sub-titles within the input screen.

General Information

Taxpayer Last Name
Taxpayer First Name
Taxpayer Social Security Number
Taxpayer Occupation
Taxpayer Date of Birth
Spouse First Name
Spouse Last Name
Spouse Social Security Number
Spouse Occupation
Spouse Date of Birth
Taxpayer/Spouse Street Address
Taxpayer/Spouse City
Taxpayer/Spouse State
Taxpayer/Spouse Zip
(Checking/Savings)

Taxpayer/Spouse daytime telephone number
Taxpayer Blind Checkbox
Spouse Blind Checkbox
Taxpayer E-mail address
Taxpayer Cell Phone
Filing Status (1 Single, 2 MFJ, 3 MFS, 4 HOH, 5 Widow(er))
Head-of-Household Qualifying Name
Head-of-Household Qualifying Social Security Number
Qualifying Widow(er) - Year of Spouses Death
Married Filing Separate – Spouse Name
Taxpayer/Spouse Death Date
Single, Dependent of another Checkbox

Schedule A

State and Local Income taxes in addition to with held
Other Taxes
Other Unreimbursed Expenses
Charitable Contributions (Cash/Non Cash)
Miscellaneous Deductions

Mortgage Interest not Reported on Form 1089

- Name
- Address
- Social Security Number
- Federal ID Number (EIN)

Form 2106

Occupation
2106 Vehicle 1 Date placed in service
2106 Vehicle 2 Date placed in service
Taxpayer or Spouse Indicator
Qualified Performing Artist

Dependents

First Name
Last Name
Birth date
Social Security Number
Relationship
Months in Home
Dependent Ineligible for Child Tax Credit Checkbox
Disabled
College Student
Child Care Expenses

W2 Items

Taxpayer/Spouse Indicator
Taxpayer/Spouse Name
Taxpayer/Spouse Address
Taxpayer/Spouse City, State and Zip Code
Employer Name
Employer Address
Employer City, State and Zip Code
Federal Employer Identification Number

B- Schedule B

Income From Seller-Financed Mortgages

- Address
- Social Security Number
- Federal ID Number

Interest

Financial Institution
Taxpayer/Spouse Indicator

State

Dividends

Financial Institution
Taxpayer/Spouse Indicator

State

Schedule F

Principal Product
Employer Identification Number
Agricultural Activity Code

Spouse's Schedule F
Taxpayer does not materially participate
Inventory at the end of the year

4562 – Form 4562

All Information (from Depreciation Worksheet)

4797 – Form 4797

All Information (from Depreciation Worksheet)

4835 – Form 4835

Spouses Form 4835
Employer ID Number

Taxpayer actively participates in operation
Of business 1=no

1099R – Pensions and Annuities

Payer Name
Payer Address
Payer City, State and Zip Code
Payer Employer Identification Number
Taxpayer/Spouse Name
Taxpayer/Spouse Address
Taxpayer/Spouse City, State and Zip Code
Taxpayer/Spouse Indicator

IRA/SEP Checkbox
Distribution Code
Account Number
1st and 2nd State
1st and 2nd State payer number
1st and 2nd State Name of locality
Age at starting date

Schedule C

Business Name
Business Address
Business City, State and Zip Code
Principal Business Including Product or Service
Spouse Schedule C
Principal Business Code

Business Employer Identification Number
Accounting Method (cash, accrual, other, specify)
Inventory Method – Lower cost of market
Other Inventory method box
Materially Participates 1=no
Inventory at the end of the year

Schedule E

Property Kind - Description
Full Address (including City, State and Zip Code)
Percentage of ownership (if not l00%)

Rental is part of personal residence
Real estate professional

K-1 (1041)

Entity Ownership Code (Taxpayer, Spouse, or Joint)
Entity Name
Employer Identification Number
K-1 Materially Participated Checkbox

K-1 (1065)

Entity Ownership Code (Taxpayer, Spouse, or Joint)
Entity Name
Employer Identification Number
K-1 Materially Participated Checkbox
Some is not at risk
Publicly Traded Partnership (PTP)
Foreign Entity

K-1 (1120S)

Entity Ownership Code (Taxpayer, Spouse, or Joint)
Entity Name
Employer Identification Number
K-1 Materially Participated Checkbox
Some is not at risk

Assets (Depreciation)

All fields available from the report provided by the previous software.

8829 – Form 8829

Area used
Total area of home
Business use percentage
Smaller of Home's adjusted basis or its fair market value
Value of land included on line 35
Carry to Form Number/Multiple Number

6252 – Form 6252

Description
Date acquired
Date sold
Gross Profit Ratio

1116 - Foreign Tax Credit

Resident County

2106 - Employee Business Expense

Occupation
Vehicle placed in service date
Taxpayer/Spouse Indicator
Qualified Performing Artist