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# Tax Help For The Self-Employed



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As someone who's self-employed with an assortment of contract and freelance work, I know that it can be a struggle for entrepreneurs to do their taxes. Luckily, there are now quite a few small-business tax programs to make the filing process fairly quick and painless.



*Credit: Shutterstock*

I reviewed three of the most popular ones (TurboTax Self Employed, H&R Block Premium and TaxAct Online 2016 Premium Edition) and interviewed accountants and other tax pros for their opinions about them. Here's a rundown with a caveat: This isn't an exhaustive list of the programs' benefits and drawbacks.

## What to Look For

First, a few general tips about tax software for the self-employed:

The software ranges between \$15 and \$115+, so consider the features that you'd get for the price. For instance: Can you import tax information from last year's return? Is there an extensive list of suggested deductions? Does the software provide a final error review? Is there an app?

All of these features help you save money and streamline the tax process; paying less for fewer features may end up costing you more in the long run. "Don't use a cheap program you've never heard of before," says [Micah Fraim](#), a Roanoke, Va.-based CPA and bestselling small-business author on Amazon. "The good programs have reasonable controls built into them — they will auto-populate supplemental forms and will not let you file if a required form is missing. Cheaper programs will let you do pretty much whatever you want. Given that most people are not tax experts, that is a recipe for disaster."

One of the most important aspects of any tax program is how well it guides you through the tax-prep process. "The better software programs have prompts that prevent, or at least try to prevent, you from making major errors. Cheaper programs often will not have those safeguards," says Fraim.

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Before buying a program, you'll also want to find out: Can I get help if I get stuck in the middle of filing? Some offer online chat; others provide video conferencing with an expert. Most programs have a searchable help database, but that might not be enough. Personalized support is critical if you want to get the most out of your taxes.

## 3 Popular Tax Software Options for the Self-Employed

**TurboTax Self Employed** TurboTax is one of the best-known tax products, and for good reason. Its new self-employed product is especially useful, with more than 350 common tax deductions, broken down by industry, though it's more expensive than the other two reviewed here.

For entrepreneurs who aren't very organized, TurboTax's Expense Finder feature is hugely valuable. After scanning your bank and credit card transactions, it identifies items you can claim as business expenses. The total is broken down by category, which helps you keep your records in order.

TurboTax's clever SmartLook feature connects you via video with a CPA or an enrolled agent (a federally-licensed tax pro). After sharing your screen, you get expert help — and can make an unlimited amount of requests. Better yet, you can schedule a video conference in advance.

Experts at [NerdWallet](#) suggest that most TurboTax products, including this one, are user-friendly and particularly worth considering for people who don't know much about finances.

Cost: \$114.99 for a federal return; \$36.99 for a state return

**H&R Block Premium** Like most other tax programs for the self-employed, H&R Block Premium lets you import data you used previously with other programs, specifically TurboTax and Quicken. Experts at [FitSmallBusiness](#) especially recommend this software for nonprofit business owners. Unlike many of its competitors, this program includes Form 990, a necessary document for nonprofit tax reporting.

This software offers free, unlimited chat for professional tax advice, which can be hugely valuable. Standout features include easy import (so you don't have to type every detail into the online form) and brick and mortar H&R Block locations where you can receive in-person help. While experts Next Avenue interviewed agree that H&R Block Premium is less “flashy” and user-friendly than its top competition, they also say it gets the job done.

Cost: \$64.95 for a federal return; \$19.95 for a state return

**TaxAct Online 2016 Premium Edition** TaxAct has a reputation for being “budget friendly.” But even though its Premium Edition for the self-employed, freelancers and contractors, is less pretty than others, that doesn't mean it pales in comparison. In fact, TaxAct Premium offers a wide variety of valuable features. One that stands out: a personalized financial assessment. This complimentary report outlines opportunities to reduce your tax bill and save on next year's returns.

You also have access to free technical and tax support, along with Tax Tutor Guidance — easy-to-follow tips and strategies as you file.

TaxAct's Tax Alert feature checks for errors, omissions and tax-saving opportunities you may have missed. If you're new to TaxAct, you'll be able to import data from previous H&R Block and TurboTax returns.

Cost: \$37 for a federal return; \$33 for a state return

