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Best Tax Software for 2018



by [Michael Gardon](#) Updated on 01.15.18

- [Taxes](#)

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Taxes are never, ever fun — especially if you're just getting started on them with only days left before the filing deadline. You don't need to dread April 18th, though — that's right, the 2017 filing deadline is April 18th, not the traditional date of the 15th. Tax software has come along way, and if you choose the right option, you'll be able to knock your taxes out quickly and confidently. 2018's list of the best tax software companies features three faithful standouts: [TurboTax](#), [H&R Block](#), and [TaxAct](#).



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We have a clear favorite pick this year (the fourth year in a row, in fact). It's TurboTax, and it's our top pick for several reasons. It's the easiest to use; it has the most comprehensive set of features; and best of all, it's absolutely free for millions of Americans filing a 1040EZ or 1040A (and state returns) thanks to a resurgence of the company's Absolute Zero program.

That's available to anyone who has an income of less than \$100,000; doesn't have sizable medical bills to deduct; and doesn't claim any rental, investment, or business income. Pretty great, right?

The Simple Dollar's Picks for the Best Tax Software for 2018

- TurboTax
- H&R Block
- TaxAct

The best tax software doesn't just get your taxes filed — it educates users, leaving them confident about their return rather than worried about an audit. As a result, we dug deep into user experience this year. We put each software package through the wringer, evaluating facilitation, disbursement, accuracy tools, and deduction discovery. We also considered how much we enjoyed using it (yes, you *can* enjoy using tax software). We also looked for a few key features: an accuracy guarantee, audit-risk identification tools, multiple refund-disbursement options, strong customer support, and the ability to import all of your forms and data. And when we learned that the number of TurboTax users (6 million) filing from smartphones and tablets is up 15 percent from the previous year, we favored software with great mobile apps, too.

TurboTax, H&R Block, or TaxAct: What is the Best Tax Software?



[Start TurboTax Federal Free Edition Here](#)

Intuit's [TurboTax](#) remains the industry's most streamlined and intuitive tax software package for the 2016 fiscal year. Whether you're self-employed, freelancing on the side, or filing a 1040EZ, TurboTax has all the tools you need to minimize headaches *and* capitalize on your return. Just remember: Its pricing schedule is a bit more confusing and expensive than competitors, so you might wind up paying more than you imagined depending on the complexity of your tax situation.

One of TurboTax's most compelling features is SmartLook™, which connects users with a CPA or enrolled agent via one-way video. Users can share their screen and receive expert help, for free, with an unlimited amount of requests. What's more, Intuit improved the tool for 2016 by adding the ability to schedule appointments, which tightens its competition with H&R Block, which boasts 12,000 in-person locations nationwide. SmartLook™ isn't available for Federal Free Edition users, but outside of sitting in a room with a tax professional, it's one of the best customer support tools in the industry, bar none.

TurboTax also upped its game this year with the launch of a brand-new tool for the self-employed called Expense Finder. Once connected to a user's bank account, Expense Finder helps to pinpoint every single transaction from the past year that might qualify as an expense. It can be difficult to keep track of every nickel and dime spent on things like travel and food, so this is a welcome addition to the TurboTax family. Plus, users get a free, one-year subscription to Intuit QuickBooks.



H&R BLOCK®

H&R Block

[Start With H&R Block Here](#)

[H&R Block](#) is one of the most trusted names in finance thanks to its excellent customer service. With over 12,000 locations in the United States, you're likely not far from speaking face-to-face with a professional who

can help you sift through the financial maze. And regardless of which plan (edition) you choose, you also get free, in-person audit support.

The company's software isn't quite as simple or feature-rich as TurboTax, but it can be more affordable for small-business owners and those with multiple investments and properties. TurboTax's "Premium" edition runs about \$140 (state and federal), while H&R Block's "Premium" edition costs around \$90. Both cover the same forms from schedules C, D, E, and F (those that are related to deductions, self-employment, and investment income), but H&R Block customers get the benefit of in-person support while also saving \$50.



[Start With TaxAct Here](#)

[TaxAct](#) is the most affordable option out there. Consider this: The company's top-of-the-line edition, called Premium, runs \$55 and includes forms from schedules C, D, E, and F — that means freelancers, homeowners, investors, and the self-employed can take advantage of the same deductions available on TurboTax's "Self-Employed" (\$140) and "Premium" (\$92) editions for almost half the price. However, TaxAct has limited e-filing capabilities because it doesn't support forms 1041 and 1065 in every state. So if you plan to file online, make sure to [check whether TaxAct supports the forms you need](#).

The flipside to its affordability is that TaxAct doesn't offer as robust customer support as the likes of TurboTax's SmartLook™ CPA video chat or H&R Block's 12,000 office sites. But if you don't mind forgoing the bells and whistles, TaxAct is one of the best, and most affordable, software options available.

Still sounding a little too spendy? Check out our [Best Free Tax Software Guide](#) to see if there is a good option that fits your needs.

What should the best tax software have?

- **Accuracy guarantee:** If you pay an IRS or state penalty or interest because of a calculation error, the company pays you for the penalty and interest.
- **Audit-risk identification:** Tools that help you identify red flags that trigger audits, like failing to report all your income, or breaking rules on foreign accounts.
- **Refund disbursement options:** Users can choose how a refund is paid, including via check, direct deposit, prepaid debit card, savings bonds, etc.
- **Strong customer support system:** A comprehensive knowledge base, live chat, email support, etc.
- **Data import:** The ability to import your W-2 by taking a picture, or at the very least, importing information from your previous tax return.

Which deductions should the best tax software offer?

Aside from the standard deductions — \$9,300 for head of household filers, \$6,300 for singles and married persons filing separate returns, and \$12,600 for married couples filing jointly — we only considered software that also offered:

- Charity Donations
- Itemized Deductions
- Business Owner Deductions
- Depreciation Summary
- Vehicle Deduction Methods
- Rental Property Deductions

How to Choose the Best Tax Preparation Software for You

The needs for a nine-to-five employee and a CEO of a startup company are worlds apart. Maybe you're like me and work multiple freelance jobs. Your tax software is completely dependent on your specific tax needs.

First-Timers: TurboTax Free Edition

If you're new to paying taxes, I highly recommend starting with the free version of our top income tax software choice, TurboTax. It's reliable and intuitive, and should make your first time filing taxes a bit less painful. If you're lucky, your taxes will be simple enough that you don't have to upgrade beyond the Free Edition.

Best Small Business Tax Software: H&R Block

It's always nice to have someone watching your back, especially if you're in charge of a small business. With H&R Block, you can take your taxes to any local office and have someone look over it for free. The personal touch of H&R Block's customer service makes it a no-brainer for any business owners out there. It's the best tax software for small business, hands down.

Best Professional Tax Software for Experienced Tax Filers: TurboTax

Overall, TurboTax still remains the best tax software for the serious tax filer. The intuitive software is built to handle even the most complicated tax needs with ease. TurboTax rapidly determines everything from refunds and deductibles to accurate audit risks.

Income Tax Calculator

We've built an income tax calculator to help you determine your federal and state income tax; total income tax; and expected take-home earnings based on your filing type, locations, and annual earnings. This should help you prepare and plan your taxes as well as manage your finances for the year, especially if you owe more money than you anticipated because you didn't withhold enough.

A Guide to the Different Versions of Tax Software

Thankfully, finding the right version of your software isn't as difficult as it sounds. Since it behooves these tax-filing companies to move your money as effortlessly as possible, they've allowed for smooth upgrading, if needed for your current tax situation. If you're unsure of where your exact needs lie, I would recommend starting with each company's free tax software option and working your way up, or staying there if it covers you. Your income flow and your situation will dictate which tier you'll be in, but I'll give you a quick rundown of the four main levels offered by the best tax software companies:

Federal Free Edition — The best deal, this provides the resources to prepare and e-file both federal and state taxes and is generally utilized by those with the most basic tax needs. Federal filing is free, but state filing typically incurs a fee.

Basic Edition — Includes all the features found in the Federal Free Edition with the addition of access to basic deduction-identification tools and improved support.

Deluxe Edition — Generally offers more to identify deductions through industry- or occupation-specific searches. May also include more robust tools for life events, donations, and audit risk.

Premium Edition — Generally grants access to the full functionality of the software with deduction assistance that expands to include rental properties and other business-specific tax deductions, along with advanced calculators and additional investment resources.

Tax Software Comparison: TurboTax vs. H&R Block vs. TaxAct

While we have found TurboTax to be the best tax software option overall, all of the main competitors have something unique to bring to the table. To remove any remaining bias, let's compare some of the measurable qualities of each tax software option.

The table below compares the main components of each contender, not a breakdown of *every* feature these companies have to offer. You can find our deeper dive into the ins and outs of our main competitors below.

Best Tax Software: Feature Comparison

Below are ALL of the things you need to consider when choosing the best tax software. After comparing, simply click get started to be one step closer to finishing your taxes!

Feature	TurboTax	H&R Block
Filing Federal Online	\$0 - \$90	\$0 - \$60
Filing State Online	\$30 - \$100	\$20 - \$80
Desktop Software (both federal and state)	\$30 - \$100	\$20 - \$80
Office Locations	X	✓
Free Filing for the Military	✓	✓
Accuracy Guarantee	✓	✓
Audit-Risk Identifier	✓	✓
Multiple Disbursement Options	✓	✓
Prior-year Returns	✓	✓
Automatic Import	✓	✓
Audit Support	✓	✓
Complete Taxes on the Mobile App	✓	✓
Extensive Educational Material	✓	X
	Get Started	Get Started

Online Tax Software Reviews: A Deeper Look at the Top 3

TurboTax: The Best Tax Preparation Software

[TurboTax](#) is undeniably the most recognizable name in tax prep software, and it has the chops to back it up. Its audit and deduction tools are the best in the business, and its list of features is ever growing with the addition of SmartLook™ video support and Expense Finder for the self-employed. And like H&R Block, TurboTax allows users to upload their W-2 by taking a picture with a mobile device. (If your payroll provider is one of TurboTax's many partners, you can even import your W-2 online.) Here are a few more highlights:

- A comprehensive Federal Free Edition that includes 1040EZ, 1040A, and 1040 forms as well as live chat
- Incredibly easy-to-use software
- The best mobile app in the business
- Expense Finder, which helps the self-employed identify every possible deduction

- Incredibly thorough AnswerXchange knowledge base
- Strong customer support, including SmartLook™ expert video chat
- Heads-up audit detection while you file your taxes
- A wide array of disbursement options
- Trusty phone support hotline

TurboTax Downsides

While TurboTax is the overall best tax software in the field, it's not without its weaknesses. As many disgruntled users will point out, the price has steadily climbed over the past few years and stands as one of the most expensive options on the market. (For example, TurboTax charges \$80 to file federal taxes online, compared to competitor H&R Block's \$60.) But, like we mentioned before, if you have a simple tax situation, you can file absolutely free through TurboTax's Absolute Zero program.

It's also important to note the company has a steep processing fee of \$34.99 if you pay your TurboTax fee with your federal refund.

H&R Block: The Best Customer Support at an Affordable Price

With over 12,000 locations spanning the US, [H&R Block](#) is able to provide a personal touch that TurboTax and TaxAct can't match. And the best part is that no matter which plan you choose — the free online edition, or the paid desktop edition — everyone gets access to a real-life tax professional. All you have to do is visit the office with the giant green block. Here are a few more highlights:

- Standout tools to help with more complex tax needs, including deductions
- Helpful page-by-page overviews and step-by-step workflow guidance
- Premium edition is \$30-\$50 cheaper than TurboTax's.
- Peppered with links throughout each page to answer any questions you might have, such as "What qualifies?"
- A bookmarking system lets you tag anything you want to refer to later.
- File federal taxes for free with the At Home Free Edition, which provides many tax forms other competitors don't, plus free audit support and representation.

H&R Block Downsides

Right now, you may be asking, "With such incredible customer service, why isn't H&R Block the best tax software?" Frankly, its bland website and slightly confusing interface can't compete with the simplicity of TurboTax. But if you'd feel more confident having a copilot on your tax journey, H&R's marginally less attractive software is hardly a good reason to skip it.

TaxAct: The Best Cheap Tax Software

[TaxAct](#) is undeniably one of the most affordable tax software options on the market for the standard taxpayer — its most expensive plan is less than half the price of TurboTax, and it supports the *exact same* forms. A big reason for these savings is found in its lack of features for the self-employed, investors, or property owners. To be clear, you can still use TaxAct if you fit in those categories, but it won't be as easy as using TurboTax or H&R Block. The bottom line is this: If you're a straightforward W-2 employee with a simple return, TaxAct has all you need to effectively file your taxes and save some cash. Here are a few more highlights:

- Offers top value without sacrificing quality (only extras)
- Provides a pre-built spreadsheet where you enter information like reporting category, sales proceeds, gains/losses, and other relevant stock information
- Limited state e-filing

- A useful “Refund Snapshot” dashboard
- Mini-alerts identify errors and robust learning resources make sure you get all the help you need.
- With the Free Edition, you can file federal tax forms for simple and complex tax returns for different statuses and life situations.

TaxAct Downsides

TaxAct’s educational resources have improved since last year, but it still doesn’t match TurboTax’s offerings. It also has a few lightweight features, like a deductions calculator and “Life Changes” event wizard (which alerts customers to important information related to life events and how they impact taxes), but they aren’t as fleshed out as comparable tools from the other companies. Finally, TaxAct doesn’t allow you to import your W-2 by taking a photo like TurboTax and H&R Block. Once you put it in manually, though, you *can* import it from previous tax returns in the future.

Other Tax Software to Consider

Although TurboTax, H&R Block, and TaxAct were our top picks, [TaxSlayer](#) and [eSmartTax](#) are also worth a look.

TaxSlayer

TaxSlayer Highlights:

- You can choose to be guided or not, which is great if you’re confident in your tax abilities and want to bypass all the quizzes.
- Prior-year tax form access makes it easy to prepare your forms and alter them to save time.
- The life events guide makes sure you correctly input information about births, a new home, etc.

Why TaxSlayer Didn’t Make the Cut

- Deduction tools aren’t as strong as the top three — items like charity donations, rental properties, and industry-specific deductions aren’t identified.
- No live chat or user forum to get help instantly — however your questions do jump to the front of the queue for faster response time via the premium service.

eSmartTax

eSmartTax Highlights:

- Great Affordable Care Act (ACA) forms and resources
- A clean and modern interface makes this software easy to navigate.
- Owned by Liberty Tax, which has office locations available for in-person help.
- You can import prior-year forms and pre-populate information to save time.

Why eSmartTax Didn’t Make the Cut

- It’s missing some of the more common features like a life events adviser and tax calculator.
- Deduction discovery resources are very limited, which won’t suffice for more complicated tax situations.
- Sale-of-home feature is only available at its Premium level. The sale of a home is a fairly common transaction that would be a no-brainer at a Deluxe tier level.

Final Thoughts

Whether you’re filing for your family, your business, or yourself, the biggest piece of advice is to be proactive. While we all lead busy lives, it’s always best to get a jump on the upcoming tax season and not let it sneak up on you.

Admittedly, there will never be a replacement for hiring a professional to take care of your taxes. But for anyone looking to save some money and take matters into their own hands, we’ve found TurboTax to be the best tax software on the market. Its ease of use and intuitive design paired with the gravitas carried by its name make it the premier option on the market. H&R Block and TaxAct aren’t hanging too far behind,

offering unsurpassed customer service and affordability, respectively. But for the majority of taxpayers, your best bet is the slick industry hallmark: [TurboTax](#).

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The 5 Best Free Tax Software for 2018



by [Michael Gardon](#) Updated on 02.01.18

- [Money](#)

[Advertiser Disclosure](#)

If you plan to file form 1040EZ or 1040A for the 2017 fiscal year — meaning you're an average W-2 worker who makes less than \$100,000 a year and has no alternate sources of income — you should know two things.



[Get Started](#) on Intuit's website

First, the 2018 filing deadline is April 17th, not the 15th. Second, you can file federal and state returns for zero dollars thanks to free editions from five of the best tax software companies in the business.

We recommend you start with [TurboTax Federal Free Edition](#) because it's the easiest to use, but any of our top picks can get the job done.

The 5 Best Free Online Tax Software Services for 2018

- [TurboTax Federal Free Edition](#)
- [H&R Block Free Edition](#)
- [TaxAct Free Federal Edition](#)
- [eSmart Tax](#)

- [TaxSlayer Free Federal Edition](#)

There are a bunch of perks and features among the top five tax software companies, but when it comes to free e-filing, it's a level playing field. Each one offers free filing for forms 1040EZ and 1040A, and that's pretty much it. Fortunately, that makes choosing one really simple: Go with the software that's easiest to use.

So, to find the best free online tax software, we test-drove each top company's free edition, evaluating customer support features and which made the filing process the least frustrating.

What Makes TurboTax the Best Free Online Tax Software?



The most important thing free online tax software should do is make you feel totally confident about your return — and that's the main reason why Intuit's [TurboTax](#) is our top pick. If you're a regular W-2 worker, you can prepare your return without paying a dime and feel great about the process. TurboTax's easy-to-understand, step-by-step instructions are unparalleled, even on the mobile app. In fact, it's just as easy to e-file a 1040EZ or 1040A from your smartphone or tablet (which 6 million people did for the 2015 fiscal year, according to Intuit).

After [taking a snapshot](#) of your W-2, or importing it from TurboTax's bevy of payroll partners, the software prompts you with key questions throughout the filing process to help home in on any changes in your life that could make major waves in your taxes. There's also a real-time audit risk detection and refund ticker, and users have access to free live advice via live chat and help from an expert. (If you get a paid edition, you can take advantage of [SmartLook™](#), which allows you to schedule one-way video chats with live CPAs or enrolled agents). These minor, but helpful details all add up to make TurboTax the industry standard in free online tax software.

Thanks to the company's [Absolute Zero](#) program, anyone filing a 1040A or 1040EZ return qualifies for the Federal Free Edition (the free online version of TurboTax). Specifically, that's anyone who:

- Has an income of less than \$100,000
- Doesn't have sizeable medical bills to deduct
- Doesn't claim any rental, investment, or business income

If you don't meet those criteria, you'll wind up navigating multiple pricing tiers and add-ons, which is one of the downsides of TurboTax — its pricing structure is not transparent. For more information about the best tax software for more complicated returns, [check out our guide on paid editions](#).

The Rest of the Best Free Tax Preparation Software



H&R BLOCK®

H&R Block

[H&R Block](#) strives to make life easier for self-preparers by offering free support via phone, email, and most importantly, face-to-face consultations at any of the company's 12,000 branch locations — even if you're using its free tier (called "[Free Edition](#)"). Customer support aside, TurboTax's streamlined software was slightly more valuable than having access to your own personal agent — because if you're using a free tax software option, you're probably filing a 1040EZ or 1040A, and those are incredibly simple to prepare. However, if you're looking for a more personal touch, or attempting DIY tax prep for the first time, H&R Block won't let you down.



TaxAct

[TaxAct](#) is third on our list of the best free tax software because it's more of a lightweight version of its competitors; it has free email support, tax guides, and resources to help you file along the way, but it's not as robust as our top picks.

The biggest benefit to using TaxAct, however, has nothing to do with its free version. If it turns out that your tax return requires more than just a simple filing, TaxAct is the cheapest tax software on the market: Its most expensive edition (which covers all schedules and forms necessary for freelancers, investors, and the self-employed) costs \$55 in total for state and federal. TurboTax's comparable edition costs over twice that much (\$140).

It's also worth mentioning that TaxAct is the only software that offers a [desktop version of its free edition](#). So if you'd prefer to prepare your own taxes *and* store data locally, TaxAct is the only company that can oblige. The only catch is that state returns prepared on the desktop version cost \$25. (That's not a problem if you live in a state without income tax.)



eSmart Tax

The free version of [eSmart Tax](#) lets you e-file your federal return for free, as with the other products, but there is no free state e-filing. What it does offer is free tech support (via live chat) and free audit support from a Liberty Tax CPA — an added bonus you don't get with most free tax software. You can also import your previous year's tax return from a competitor like TurboTax or H&R Block for free, which can get you going as if you've been an eSmart customer for years. Otherwise, there's not much to write home about, which is why eSmartTax is fourth on this list.



TaxSlayer Free Federal Edition

[TaxSlayer](#) is a solid alternative to any of our top picks. Like the competition, TaxSlayer offers an easy-to-use deduction guide, step-by-step instructions, and free email and phone support, all while guaranteeing a maximum refund.

The free edition supports basic 1040EZ tax returns, just like the companies listed above it. What holds TaxSlayer back, however, is its lack of audit detection or assistance, which TurboTax includes.

If You're Unsure, Start with a Free Version

I've stressed this a few times already, but it should be crystal clear that it's almost always best to start with free tax software. If you're a first-time tax filer, you're likely in the dark when it comes to how complicated your taxes will be; perhaps you imagine a nightmare of numbers, forms, and frustration awaits. But the truth is, if you work a typical nine-to-five job, your tax return might be way simpler than you think.

Like I said earlier, every reputable tax software offers a comprehensive free tier to get you started — and in many cases, that may be enough to get you through the tax season. However, if it's not, the good tax software

platforms, including [TurboTax](#), allow you to simply upgrade to the level necessary to file your taxes without having to start all over again.

Tax season is already a stressful time of the year, and there's no need to make it even more of a headache. If you only require a straightforward tax return, you may be able to save yourself some cash, time, and stress, and file those federal taxes for free.

Remember, State Tax Returns Aren't Always Free

Unfortunately, even if you can get away with filing your federal taxes for free, those pesky state tax returns are eagerly waiting to siphon some money out of you. Depending on the software you use, filing your state taxes will cost you anywhere from \$8 to \$37.

As I noted above, your most affordable option for filing both federal and state returns is TaxAct, which charges \$14.99 to file a state return after the free federal return. The most efficient, yet slightly pricer option is TurboTax, which will cost you between \$27.99 and \$36.99. But if you're simply filing a 1040A or 1040EZ return, [TurboTax's Absolute Zero](#) guarantee on its Federal Free edition will allow you to file your state tax return for free as well.

However, if you're one of the lucky ducks living in a state with no income tax, you won't have to worry about filing a state tax return at all. Here's a list of the states with no income tax.

States that don't have income tax:

- Florida
- Texas
- Washington
- Nevada
- Alaska
- South Dakota
- Wyoming

States that have limited state income tax:

- Tennessee (6 percent on income from interest and dividends)
- New Hampshire (5 percent on income from interest and dividends)

Final Thoughts

Tax season isn't a joyous time of year, but it doesn't have to be migraine-inducing, either. With the right free tax software, you can not only save time and a few bucks this April, but also discover which tax software works the best for you should you need a full, premium version.

In my research, I found TurboTax to be the unequivocal pinnacle of free tax software. Its intuitive design, audit detection, and step-by-step instructions are simply unmatched in the industry. It also allows you to easily upgrade beyond its free software if need be.

However, it's important for you to find the software that best fits your needs. There are many solid companies with great things to offer in their free tax software. No matter which free tax software you go with, it should be the one that gives you the least amount of stress and helps put the most cash back into your wallet.

