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## Thrifty Tennesseans take on filing their own taxes

*By Bonna Johnson*  
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Maylon Thompson usually relied on <http://www.hrblock.com/>">H&R Block to prepare his tax returns, but this year he decided to save \$80 and do it himself.

"I saved money and got money back," said Thompson, whose refund came in the mail after he filed an online return with the help of the <http://national.unitedway.org/>">United Way.

Thompson is part of the hottest trend in tax filing this year: ditching paid preparers and doing it yourself.

The number of Tennessee taxpayers filing from their home computers is up 8 percent to 573,697 this tax season, according to the <http://www.irs.gov/>">IRS.

At the same time, the country's largest tax preparation chains are seeing declines in traffic.

"People want to save money, and they're realizing that it's easier with tax software than the old-fashioned way of doing it on paper," said Dan Boone, IRS spokesman in Tennessee.

Some 1.492 million tax returns have been electronically filed in Tennessee, up by about 750 returns filed by this point last year, Boone said.

Dao Dao, a retiree in Columbia, Tenn., also wanted to save money, and filled out paper forms himself with resources such as the IRS telephone helpline and a local senior citizens center to answer tax questions.

Two years ago, Dao paid a chain tax preparation firm \$174 and last year spent \$120 with an accountant.

Dao, who formerly worked as an operations technician at Spring Hill's General Motors plant, said he typically never got to ask the tax preparers many questions about deductions and such because the longer he stayed, the more expensive the service became.

"But the more you keep quiet, you don't learn nothing," he said.

## Preparers see slump

Two of the largest tax preparation chains have reported declines in business this tax season.

H&R Block said same-office returns prepared in retail operations this tax season through mid-March fell 5.1 percent compared with last year. Total tax returns prepared were down 6.3 percent, while total retail returns prepared fell 7.6 percent.

There has been a bit of a pickup as tax day nears, with 7 percent growth from March 1 to March 15, according to H&R Block. "While we reported positive growth for the first half of March, we are still disappointed in our tax season-to-date results," Russ Smyth, president and CEO at H&R Block, said in a statement.

At <http://jacksonhewitt.com/>">Jackson Hewitt, the number of returns prepared through Jan. 31 was down 18 percent compared with last year.

On a day-over-day basis, returns were running nearly 20 percent behind the same period a year ago, company officials told analysts on March 11.

At the same time, TurboTax, the leading maker of tax software, said sales of its consumer products rose 10 percent through March 13 on the strength of the increasing numbers of do-it-yourselfers.

The average fee to hire a paid preparer for an itemized return is \$229, with the Southeast being a bit cheaper at \$137, according to the <http://nsacct.org/index.asp>>National Society of Accountants. Rates for non-itemized returns were \$129 on average around the country, the group said. The cost of tax software can range from less than \$10 to upwards of \$75.

## Looking to save

Although about 75 percent of filers in Tennessee are expected to choose electronic returns this year, there are still some holdouts — like 61-year-old Delilah Lannom.

"I've always done my own taxes, and I've always done them on paper," said Lannom, who lives in Norene, Tenn., in Wilson County. "I like the numbers."

Boone of the IRS office here noted that combining e-filing and a direct deposit transaction can hasten a tax refund's arrival to 10 days or less. Also, e-filing is virtually error free, while paper returns have roughly a 20 percent error rate.

Waitress Tiffany Jordan, 20, of Madison had been paying a tax preparer to file her returns ever since she was 16. In the mood to save money this year, and hoping to save the \$95 fee that her tax preparer quoted, she found a \$10 tax software program and did it herself.

"Even if the economy gets better, I'll keep doing it on my own," Jordan said. "I'm all about saving money."

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