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INTUIT STRIPS TURBOTAX DELUXE OF SUPPORT FOR KEY TAX FORMS MANY BUYERS WILL HAVE TO MAKE COSTLY UPGRADES

Regular purchasers of Intuit's TurboTax Deluxe, the top selling desktop tax preparation software program, are in for a nasty surprise this year. The company has stripped the program of key functionality to easily report income from investments, self-employment, and rents, thereby requiring affected users to upgrade to more expensive versions.

"What a clever ploy. Yank out key parts of the program that people have used for years, and then charge them more money to get back the missing pieces," commented ConsumerWorld.org founder Edgar Dworsky. "Imagine the reaction of perhaps millions of regular TurboTax users who may learn partway through doing their taxes that they have to pay an upgrade fee just to get the same functionality they've always enjoyed. They are not going to be happy."

The full interview sections (Q&As) for filling out Schedule C (self-employment income and all expenses), Schedule D (investments), and Schedule E (rental and partnership income) are no longer in TurboTax Deluxe (\$59.99 list). The complete Q&A Schedule D (with importation of brokerage data) and Schedule E are now only available in their "Premier" and higher editions (\$89.99), and the full Schedule C is only available in their "Home & Business" version (\$99.99). In-program upgrades from TurboTax Deluxe will cost users an additional \$30 to \$40, as the warning below indicates, when, for example, trying to enter investments.

The screenshot shows the TurboTax Deluxe interface. At the top, the 'Federal Refund' amount is \$0. The navigation tabs include PERSONAL INFO, FEDERAL TAXES, STATE TAXES, REVIEW, and FILE. Under FEDERAL TAXES, there are sub-tabs: Wages & Income, Deductions & Credits, Health Insurance, Other Tax Situations, and Federal Review. A warning message is displayed: 'If you've got investment income, you need TurboTax Premier'. The message states that TurboTax Deluxe does not support investment income reporting and lists the forms covered by TurboTax Premier: All the forms needed to report investment income from the sale of stocks, bonds, and ESPPs (Schedule D) and Automatic import of investment income including cost basis (1099-B). Below the message is a link 'Why do I need Premier?'. At the bottom, there are three buttons: 'Back', 'I don't have investment income', and 'Upgrade to TurboTax Premier'.

Upgrade notice and roadblock in program when users try to enter investment income.

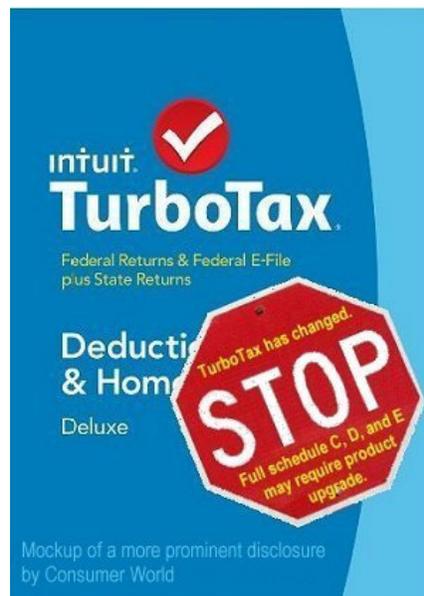
Consumers are already voicing complaints. The product has gotten hundreds of one-star ratings on Amazon, with many posting [negative reviews](#) and expressing outrage.

Company executives say the changes were made to provide "consistency" between their online and desktop product lines. They are quick to point out that the raw forms for Schedules C, D, and E can still be filled out manually in "forms mode" in TurboTax Deluxe, but they don't recommend it. The company acknowledges that the full question-and-answer section for filling out these forms is missing, and that by using forms mode, validation checking is not done, and **taxpayers cannot file their taxes electronically**.

Dworsky believes that Intuit did not do enough to alert regular purchasers of the product to the changes in advance, thus depriving them of the opportunity to shop for competing products or to buy the right product to start with. Many consumers, he says, have been using TurboTax for 10 or 20 years and just naturally grab the one they have always used.

While Intuit provides an online and back-of-package checklist of which version is best for which types of taxpayers, it is [essentially similar to the one they used last year](#) when there was full inclusion of all the schedules, and thus it is easily overlooked or misunderstood.

A more attention-grabbing disclosure like this mockup, Dworsky suggests, would not have been missed:



In the wake of complaints, Intuit is quietly offering free upgrades to some aggrieved users. Dworsky, however, is calling on them to do that for everyone automatically because of the abrupt changes, both as a goodwill gesture and as clear notice of the changes henceforth.

Meanwhile, recognizing an opportunity to grab market share, H&R Block, makers of H&R Block Deluxe, a competing program, is offering affected TurboTax users who have already purchased the program (Basic or Deluxe) a free copy of their software, which they say has not been crippled. To get it, consumers need to email a copy of their invoice, name, address, phone, and Windows or Mac designation to SwitchtoBlock@hrblock.com.

Intuit is not new to controversy or nickel-and-diming tactics. In 2008, it added a \$9.95 fee to print or e-file a second return from TurboTax, but quickly rescinded the charge following a storm of criticism. And for years, it has arbitrarily "sunset" (deactivated) the online downloading and electronic bill payment functions of its popular Quicken checkbook software, thus requiring consumers to buy a new version of the program every three years.

Consumer World®, launched in 1995, is a public service consumer resource guide with over 2000 links to everything "consumer" on the Internet. **Edgar Dworsky**, a longtime consumer advocate, is the founder of **Consumer World**, editor of **MousePrint.org** – an educational site devoted to exposing the fine print loopholes in advertising, and a former Assistant Attorney General in the Consumer Protection Division of the Massachusetts Attorney General's Office.