

WHAT'S IN THIS SHIPMENT

Drake Tax CD, including:

- Software for sending live transmissions to the IRS and approved states.
- Federal and state tax compliance programs. Most state forms and packages are live on this CD. Refer to your resident state shipment letter for more details. All state letters are included on this CD in PDF form and through the program. From the **Home** window's toolbar, click **Support > Drake Software Support Website**. Log in and click **Training Tools > Shipment Letters > State**.
- Software tools, reports, setup, and Drake Documents.
- The *2016 Drake Tax User's Manual* in electronic format. If you prefer a hard copy, you can print one from the CD or order one directly from Drake for \$25 (plus tax, shipping, and handling). To order, log in to Support.DrakeSoftware.com > **Training Tools > Manuals** and click the link in the right side of the window.

(**Note:** The manual on this CD may contain new and revised content since the previous software release. If you have already saved a PDF version of the 2016 manual to your computer, you should save a new copy from this CD. If you already have a printed version, check the CD or the Support website for any addenda pages, print them, and add them to your manual.

- The initial release of Client Write-Up 2017, Drake's payroll and write-up program. CWU is free to full-version tax software customers (\$295 for PPR customers).

Thank you for choosing Drake Software.

PROGRAM INSTALLATION FROM CD

1. Close all open programs on your computer.
2. Insert the 2016 Drake CD into the CD drive. Wait for the **Drake 2016 Software Installation** window to be opened, displaying two installation options: **Install Drake 2016 Tax Software** and **Install Drake Client Write-Up 2016**.
3. Click the icon to **Install Drake 2016 Tax Software**.
4. Select a location where you want the program installed. Click **Next**.
5. (If this is the initial installation; otherwise, go to Step 6.) Accept the Drake Software 2016 License Agreement. Enter your account number and serial number. If you want to update your 2015 admin information to 2016, make a selection from the **Update Admin** drop list. Click **Next**.
6. Click **Install**.

DOWNLOADING DRAKE TAX

The software is also available for download from the Drake Support website. Log in to Support.DrakeSoftware.com, and from the blue menu bar, click **Resources > Download Center > Drake Software 2016**. Scroll down and click the blue **Download** button.

Download state programs when you install the federal program, or to download state programs later, open Drake Tax to the **Home** window. From the menu bar, select **Tools > Install State Programs** and choose the option to install states from the Internet.

NEW E-FILE PASSWORD REQUIRED

Drake Software is issuing new e-file passwords this year to help protect tax professionals from EFIN theft and taxpayer data theft. This new e-file password must be entered in the 2016 Drake Tax program in order to e-file returns, and when logging in to such Drake Software websites as *DrakeETC.com*.

To retrieve your new e-file password: Log in to Support.DrakeSoftware.com and from the blue menu bar, select **My Account > My Serial Numbers**. Your new e-file password is displayed on this screen.

This new e-file password must be entered in the 2016 Drake Tax program in order to e-file returns. To enter it in Drake Tax:

1. Open the 2016 Drake Tax program, and from the menu bar of the **Home** window, select **Setup > ERO & Account Information**.
2. Enter your password in the **e-File Password** field. You also must enter your account number, EFIN, and transmitter information before you can e-file. Click **OK** to save your changes.

You can change your e-file password on the Drake Software Support website. From the blue menu bar, go to **My Account > Change Password**.

IMPORTANT DATES

- January 2, 2017:
 - Drake begins receiving 1040, 1041, 1120, 1120S, 1065, and 990 returns for 2014 through 2016
 - Drake begins receiving 94X returns
- January 3, 2017: Drake begins transmitting to the CA Franchise Tax Board
- January 6, 2017: Drake begins transmitting 1120, 1120S, 1065, 990, and 1041 returns to IRS
- January 23, 2017: Drake begins transmitting 1040 returns to the IRS; customers begin receiving first IRS 1040 acknowledgements and bank acknowledgements

FILING DEADLINE IS APRIL 18

The filing deadline to submit 2016 Individual tax returns is Tuesday, April 18, 2017. This date is due to April 15 falling on a Saturday and the following Monday being Emancipation Day, a legal holiday in the District of Columbia.

IRS TO DELAY CERTAIN REFUNDS

The IRS announced it will not issue tax refunds for 1040 returns that include Earned Income Credit or the Additional Child Tax Credit until February 15, 2017, regardless of when the return is filed. The IRS cautions taxpayers, however, that these refunds likely won't arrive in bank accounts or on debit cards until the week of February 27, assuming there are no processing issues with the tax return and the taxpayer chose direct deposit. This additional period is due to several factors, including banking and financial systems needing time to process deposits.

"Where's My Refund?" at [irs.gov](https://www.irs.gov) and the "IRS2Go" phone app will be updated with projected deposit dates for early EITC and ACTC refund filers a few days after February 15. Taxpayers will not see a refund date on "Where's My Refund?" or through their software packages until then. The IRS, tax preparers, and tax software will not have additional information on refund dates, so "Where's My Refund?" remains the best way to check the status of a refund.

ITIN RENEWAL FOR CERTAIN TAXPAYERS

Some taxpayers are required to renew their Individual Tax Identification Number (ITIN) this year. Use Drake Tax to complete Form W-7, Application for IRS Individual Taxpayer Identification Number, to renew an ITIN or to apply for a new ITIN.

Who Needs to Renew:

- ITIN holders who have "78" or "79" for the fourth and fifth digits of their ITINs who will be filing a federal tax return in calendar year 2017.
- ITIN holders who have not used their ITINs on a tax year 2013, 2014, or 2015 federal return in the last three years, and will be filing a federal tax return in calendar year 2017.

W-7 Options: Taxpayers with an ITIN with middle digits of 78 or 79 have the option to renew ITINs for their entire family at the same time. Those who have received a renewal letter from the IRS can choose to renew the family's ITINs together even if family members have an ITIN with middle digits other than 78 or 79. Family members include the tax filer, spouse, and any dependents claimed on the tax return.

If the taxpayer's or dependent's ITIN will not be included on any tax return filed in calendar year 2017 or later, their expired ITIN does not have to be renewed at this time. The IRS may delay processing any federal tax returns filed after January 1, 2017, that include expired ITINs. Certain credits, such as the Child Tax Credit and the American Opportunity Tax Credit, may not be allowed unless the ITIN is renewed.

To complete Form W-7 in Drake Tax, open screen **W7** (available from the new **Foreign** tab or by typing w7 into the selector field at the bottom of the **Data Entry Menu** and pressing ENTER).

Form W-7 Not e-Fileable: Mail the Form W-7 — along with supporting documentation such as original identification documents or copies certified by the agency that issued them — to:

Internal Revenue Service
ITIN Operation
P.O. Box 149342
Austin, TX 78714-9342

The IRS will review the identification documents and return them within 60 days.

The IRS will provide information about the expiration schedule and renewal process for the remaining ITINs issued before 2013 in future guidance and expects the expiration and renewal process for the remaining ITINs to be completed over multiple years.

For More Information: See [IRS Notice 2016-48](#) or the latest revision of the [Form W-7 instructions](#) for additional information.

WHAT'S NEW AT DRAKE SOFTWARE

For information on new forms, new screens, and new features in the program this year, read "New for 2016," on the **FAQ** screens in the various packages, or see Chapter 1, "Introduction," and Chapter 14, "New Features in Other Packages," of the *2016 Drake Tax User's Manual*.

SUPPLEMENTS TO THE MANUAL

Supplements to the *2016 Drake Tax User's Manual* for each entity package (1120, 1120S, 1065, 990, 706, and 1041 packages) will be published in early 2017 and available online ([Support.DrakeSoftware.com](#) > **Training Tools > Manuals**).

STAFF TRAINING

Take advantage of the following tools to learn Drake Tax and train your staff:

DRAKE UPDATE SCHOOL WEBINARS

See the Drake Software Update Schools content in webinar format. These webinars cover the same great content as the update schools: *What's New in Drake*, *Tax Update 2016*, and *Security Update for Tax Professionals*. CPE credits are available for these webinars. Log in to the Drake Software e-Training Center at [DrakeETC.com](#) to view the dates and times for these webinars. (See "Drake ETC," following, for details on logging in.)

DRAKE UPDATE SCHOOL DVD

If you missed the Update Schools, purchase our Update Video to view on your computer or DVD player. To order the video, log in to [Support.DrakeSoftware.com](#) > **Resources > Supplemental Resources**. For only \$39.95 (plus tax and shipping), this DVD includes "What's New in Drake 2016," "Tax Law Updates," and "Security Update for Tax Professionals."

CPE credits are not available for the DVD format.

DRAKE ETC

Drake Software's e-Training Center (ETC) is your site for Drake Tax software training and Continuing Professional Education (CPE). Drake ETC offers a variety of interactive webinars, tax courses, videos, online tutorials, and practice returns, each designed to help develop your knowledge of Drake Tax and federal tax topics. Track your progress, earn CPE credits, and print CPE certificates online.

Drake ETC's webinars cover many Drake Tax and tax-related topics, with new webinars added every month. Webinars are presented with panelists available to answer viewers' questions during the event. CPE credits are available (no test required).

To access Drake ETC, go to [DrakeETC.com](#). You'll need your EFIN and your new e-file password to set up an account which you'll use to log in to Drake ETC. From the ETC "Welcome" page, go to the blue menu bar and click **Webinars > Available Webinars** for a list of upcoming webinars. Keep up with webinars you've viewed, and with your CPE progress, at **Webinars > My Webinars**.

Spanish Support: Si le gustaría hablar con alguien en Español, llame al (828) 349-5500 y trataremos de comunicarle con uno de nuestros agentes de apoyo que hablan Español.

Note: If you received a damaged or bad CD, contact Drake Software Support at (828) 524-8020; fax (828) 349-5718; or email your request to Support@DrakeSoftware.com. Include your name, company name, and EFIN with your request.

For the latest news and information on the tax-preparation industry, follow Drake Software on Twitter (www.twitter.com/drakesoftware), Facebook (www.facebook.com/drakesoftware), and www.TaxingSubjects.com.