



January 18, 2011

Making Your Tax Return through Mobile Phone

Nowadays, more and more tasks are being done through your handy mobile phone. Shopping, browsing websites, emailing, online chatting, playing games, watching movies, downloading music and banking are just some of the everyday tasks we can now do through our mobile phones.

Now a tax software company is introducing income tax submission through your mobile phone.

Intuit, the company that produces the TurboTax software, has developed a mobile phone application called SnapTax app that allows you to fill up Form 1040EZ, which is the most basic of the personal tax forms to fill. All you need to do is take a photo of your W-2 and the app will do the work.

Answer a few questions and then review your return to make sure you have entered everything correctly before sending it electronically by tapping a 'file now' button.

The SnapTax app is available for the iPhones and Android phones and uses modern image recognition technology to read the information such as salary and withholding amounts from your W-2 form. This same technology is also used in other areas like price recording at checkout counters, online language translation software and so on. According to

Intuit, it takes only about 15 minutes to fill up your tax return. To make your filing using the SnapTax app, you pay a charge of \$15.

Since this is a new technology, some people might take time to get used to filing their tax returns this way instead of the old method of pen, paper and calculator or even through your personal computer at home. Although SnapTax allows greater flexibility in filing tax returns just about anywhere, it is still improbable to have people using it at places like crowded subway trains.

Nevertheless, there are some caveats when using SnapTax. The app cannot be used by people who should be maximizing their savings by itemizing deductions. Itemized deductions are not allowed on the 1040EZ.

Furthermore, individuals filing using SnapTax must earn less than \$80,000 and couples must not earn more than \$100,000. The \$80,000 limit with SnapTax is less than the \$100,000 set by the IRS for individual filers who file their returns the conventional way. In addition, SnapTax filers must not have any dependents or be older than 65 years old.

Other forms of tax preparation mobile phone apps are also available. H&R Block's app allows users to talk to a customer representative. Shoeboxed helps users organize their spending by photographing receipts.