

Tax Planner and Report Manager

Tax preparers need to assist their clients in planning for the drastic tax law changes expected in 2026. This is where the Drake Tax Planner can help. Tax preparers can also use the Drake Tax Report Manager to help identify clients who may be affected.

Upcoming Tax Law Changes

Barring further congressional action, the 2017 Tax Cuts and Jobs Act (TCJA) will expire at the end of 2025. Effective January 1, 2026, many changes will be made, including:

- **Individual Tax Bracket Changes** – The individual tax brackets were adjusted, and the standard deduction was increased. Rates decreased. Personal exemptions were eliminated. **In 2026**, tax brackets tighten up and rates increase. The standard deduction decreases, and personal exemptions return.
- **State and Local Tax (SALT) Deduction** – The deduction for SALT was limited to \$10,000. **After 2025**, there will be no limit.
- **Child Tax Credit (CTC)** – \$2,000 per child with refundable portion at \$1,700. Higher phaseouts start at a modified adjusted gross income (MAGI) of \$400,000 for Married Filing Jointly returns and \$200,000 for all other filing statuses. **In 2026**, the CTC reverts to \$1,000 per child with lower MAGI phaseout thresholds and limited refundability.
- **Mortgage Interest Limits** – Most limited to \$750,000 of mortgage debt. **In 2026**, the limit reverts to \$1 million debt.
- **Qualified Business Income (QBI) Deduction** – This deduction allowed pass-through entities (sole proprietorships, partnerships, and S corporations) to deduct a portion of their qualified business income. **In 2026**, there is no more QBI. Unused QBI deductions do not carryover from 2025.
- **Bonus Depreciation** – This allowed businesses to deduct the full cost of certain business assets in the year they were placed in service. **In 2026**, there is a 20% bonus depreciation; **after 2026**, there is no more bonus depreciation.
- **Estate Tax Changes** – The estate tax exemption was increased, and the generation-skipping transfer tax exemption was also increased. **In 2025**, the limit is \$13,995,000; **in 2026**, the limit is cut in half to \$6,995,000.
- **Lower Corporate Tax Rates** – The corporate tax rate was reduced from 35% to 21%. The rate remains 21%.

While Drake Tax 2024 only allows for 2024 and 2025 tax planning scenarios, it can assist with general 2026 planning for most clients.

Tax Planner



The Drake Tax Planner™ helps you assist your clients in planning for the future. By comparing the client’s current tax situation to different scenarios that could occur—such as marriage, the birth of a child, buying or selling a house, or change in income—clients can see how these changes affect their finances and tax liability. Because different scenarios are set up using the same Drake Tax **Data Entry Menu** and data entry screens you are already familiar with, building your different scenarios is quick and easy. For additional information on the Tax Planner, see [KB 10962](#).

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Toolbar Functions

To open the Tax Planner, open the appropriate client’s return, and click the Tax Planner icon from the **Data Entry Menu** toolbar. The **Tax Planner** window displays a toolbar, the original return, and any planners (or “scenarios”) you create.

Figure 1: The Tax Planner toolbar



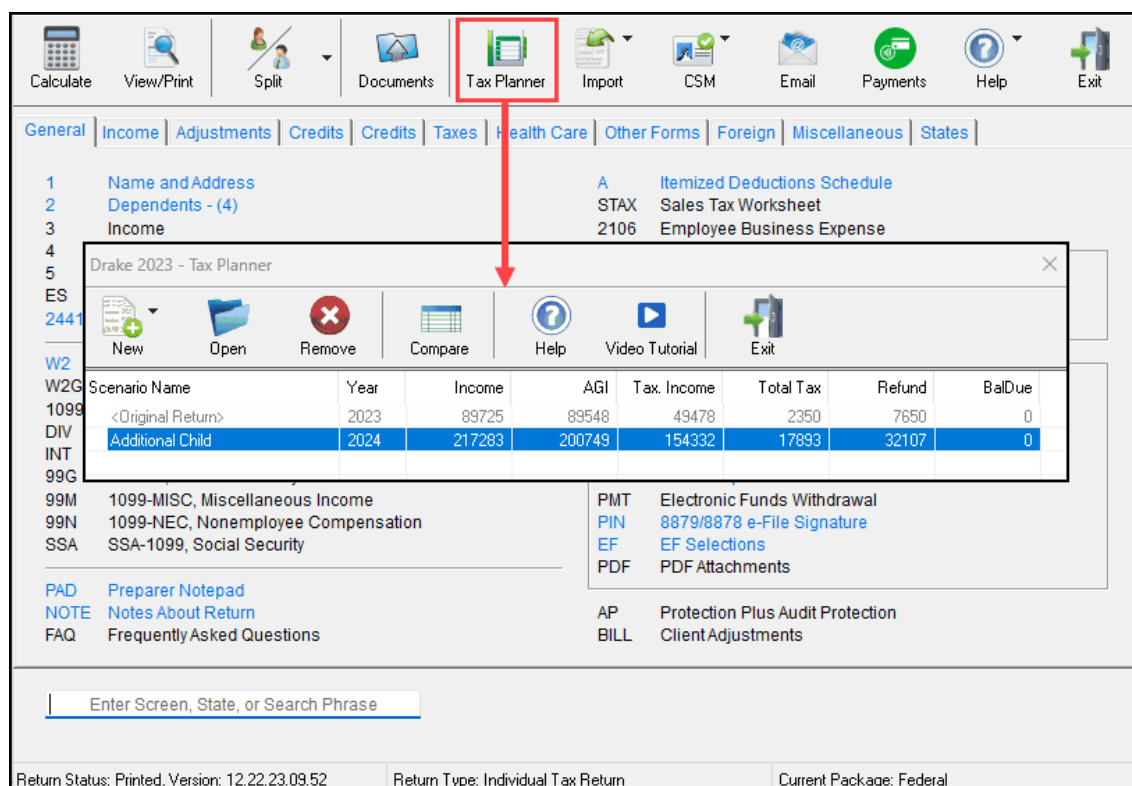
- **New** – Create a new scenario for the current (2023) or upcoming (2024) tax year. Select a tax year, enter a scenario name, and click **OK**. A new scenario—containing data from the original return—appears in the list.
- **Open** – Open a scenario from the list and edit it just like a normal return. This does not affect the original return.
- **Remove** – Delete a scenario from the list.
- **Compare** – Select and compare up to three scenarios with the original return.
- **Help** – Access a variety of Tax Planner help resources.
- **Video Tutorial** – Watch a tutorial on the Tax Planner, lead by Drake Tax experts.
- **Exit** – Close the Tax Planner.

Scenarios

To create a scenario:

1. Open a client's return and click the **Tax Planner** icon from the **Data Entry Menu** toolbar. The **Tax Planner** window displays a toolbar, the original return, and any planners (or "scenarios") you create.
2. Click **New** from the **Tax Planner** toolbar and choose a tax year from one of the options: the current tax year or the next tax year.
3. In the **Tax Planner Creation** window, enter a name for the scenario and click **OK**.

Figure 2: Creating a Tax Planner scenario



You can create different version of an existing scenario. For instance, you might make a scenario in which the taxpayer has a child, buys a home, or has a change in income.

To make multiple versions of scenarios you have already created:

1. Click the scenario you want to duplicate. (It will be highlighted in blue.)
2. Click **New**.
3. From the drop list, click **Selected Scenario**.
4. Enter a name for the new scenario and click **OK**.

To make changes inside a tax scenario, double-click a scenario in the **Tax Planner** window to open the **Data Entry Menu**. A reminder appears in the lower-right corner of the **Data Entry Menu** that you are in a Tax Planner scenario and not the original return.

Comparing Scenarios

To compare tax scenarios with the original return, use the Tax Scenario-Planning Comparison worksheet, which allows you to compare the original return with up to three tax scenarios.

Figure 3: An example Tax Scenario Planning Comparison

Tax Scenario Planning Comparison				
Name(s) as shown on return				
FILLANOWSKI, EEVIE				
	Original Return	Additional Child		
Filing Status	2	2		
Number of Exemptions	6	5		
Income:				
Wages, salaries, tips, etc	2,222	2,222		
Taxable interest and dividends		6,666		
Business Income (loss)	76,970	204,395		
Gains (losses)	24,047			
Pension and IRA distributions				
Rental & Pass-through Income (loss)	-16,014			
Farm Income (loss)	2,500	2,500		
Taxable Social Security Income				
Other Income		1,500		
Total Income	89,725	217,283		
Adjustments to Income:				
Self-Employment Tax Adjustment	177	34		
IRA deduction				
Other Adjustments		16,500		

To generate the Tax Scenario Planning Comparison worksheet:

1. Click the **Compare** button in the **Tax Planner** toolbar.
2. In the **Scenario Comparison Selector**, choose up to three scenarios to be compared to the original return.
3. Click the **Compare** button to open View/Print mode, displaying the Tax Scenario Planning Comparison worksheet. You can choose to print or email the worksheet, save it to Drake Documents, and also upload it to Drake Portals.


Report Manager

Use the Report Manager to create a variety of predefined and customized printable reports. To access the Report Manager, on the Drake Tax **Home** window menu bar, select **Reports > Report Manager**.

Figure 4: An overview of the Report Manager

Select a report from the list below and click 'View Report'. Click 'Help' for additional information.

- Client Reports
 - Client Contact
 - Address List (All Clients)**
 - Address List (All Clients) Prior-Year
 - Address List (Individual)
 - Address List (Individual) Prior-Year
 - Birthday List - Spouse
 - Birthday List - Taxpayer
 - Client List (All Clients)
 - Client List (All Clients) Prior-Year
 - Contact List (Business Clients)
 - Contact List (Individual)
 - Form 1125-E Officer List
 - Schedule K1 Beneficiary Contact List

[Step-by-Step Guide to Creating and Editing Reports](#) 

Sample Report
Address listing for mailing lists or contact information (Landscape)

Address List (All Clients)						
Taxpayer ID	Taxpayer Name	Street Address	Apartment	City	State	Zip Code
<hr/>						

Help New Report Edit Report Delete Report View Report Exit

There are five report categories provided in the Report Manager:

- **Client Reports** – Criteria for these reports consist of client contact data, preparer and revenue data, return details, status and tracking data, and summary data.
- **EF/Bank Reports** – Criteria for these reports consist of data related to e-file and banking, including bank product statuses and tracking, checks, and summary data, as well as EF status and tracking data, summary data, and preparer revenue and fee reports.
- **Scheduler Reports** – Reports are based on data entered in the Scheduler and include reports on new clients, preparer call lists, and appointments.
- **My Reports** – Reports that you create, either by editing one of the predefined reports or by starting with a blank report, are automatically stored in **My Reports**.
- **Other Report Options** – This category gives you access to the reporting capabilities of the CSM and the Fixed Asset Manager and allows you to compile depreciation lists and hash totals.

Creating a New Report

To build a new report:

1. From the Report Manager window, click **New Report**.
2. Choose a report type:
 - e-Filing and banking
 - Tax return data
 - Scheduler
3. Click **OK** to open the **Report Editor - Step 1** window.
4. Add a **Report title** and **Report description**.
5. Use the **Select Report Columns** section to choose the data to include in the report.
 - The **Categories** drop list determines what data you can select from the Available columns list.
 - Your **Selected report** columns determine what information is produced on the report; no more than 25 columns can be added.
6. Click **Save**.
7. The **Report Editor** is closed, and your new report is saved under **My Reports**.

For more information on the Report Manager, see [KB 14165](#).