TaxPlanIQ

Projections User Guide

A practical guide for tax advisors using the version 1 beta release.
Built for Q2 quarterly estimates and 2026 projections.

Version 1.0.10 - Beta Release

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User Walkthrough Video - Watch Here

What TaxPlanIQ Projections Does

Turns a 2025 1040 into a defensible 2026 Q2 quarterly estimate, a complete federal-plus-state projection, and a client-ready report. All in one workflow, without leaving the page to bounce between calculators or spreadsheets.

TaxPlanIQ is **tax prep software agnostic**. It sits alongside whatever compliance software your firm already uses (ex: Drake, Lacerte, ProConnect, CCH) and adds the planning layer that compliance tools don't do well. In practice, that means five things:

1. **1040 to estimate in minutes.** Upload the prior-year return, walk through R and A, get a defensible Q2 number ready to send.
2. **State tax with federal.** Both numbers come from the same workflow. State is estimated from federal AGI, so verify the state box and use the overrides when it is off. (Full state adjustment support is coming.)
3. **Entity Engine.** Model an S-Corp election inside the projection, side by side with a Schedule C entity.
4. **Scenario modeling.** Build side-by-side what-if scenarios in one view, no need to spin up separate projections.
5. **Designed around OBBBA.** 2026 brings triple the OBBBA provisions of 2025. The provisions are complex, and we're investing heavily in being at the forefront.

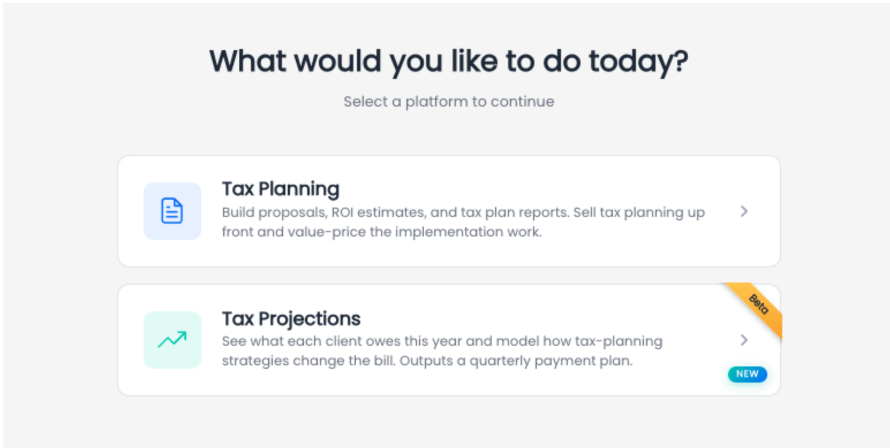
Before you start

You'll need

- The client's **2025 1040 PDF** (there is a bulk upload option for uploading multiple clients at once). This version supports only 2025 returns to project 2026; additional tax years will be added in future versions.
- Approximately 5 minutes for a basic safe-harbor projection on a returning client. Scenario planning depth varies by client complexity.

Getting into Projections

Projections is a standalone module. You enter from the button on the landing page you see right after sign-in.



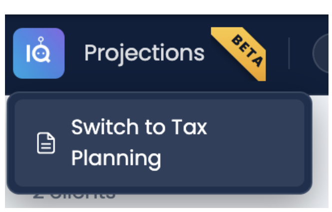
Sign-in to first projection:

1. Sign into your site like you have always done. From the landing screen, **click Projections**. It's the second of two icons in the middle of the page.

2. Click **Upload 1040**. Pick either a single 1040 or bulk upload. Each file processes in about 60 seconds. Bulk queues them up so you can close the tab and come back later.
    - Bulk upload supports folder drag-and-drop: drag a whole folder of 1040 PDFs from Finder / File Explorer onto the drop zone and every PDF inside (including subfolders) is uploaded, one client per PDF. NOTE: Files are checked by content, not file name, so a real 1040 PDF uploads even without a .pdf extension. Files that are not actually PDFs are skipped, and after a bulk upload you will see a list of any skipped files and the reason.
    - If you upload a 1040 that matches a client already in the system, you'll see a Replace or Skip prompt instead of a duplicate being created silently. Replace overwrites the existing client's data with the new upload; Skip leaves the existing client untouched.

Once a 1040 is processed, click into the client to open their projection. Then follow the RAMP workflow below.

Switching between Projections and Planning
Projections and the main TaxPlanIQ Planning platform are separate modules in this version. To switch from Projections over to Planning, click the IQ logo in the top-left corner and select Switch to Tax Planning. You'll be prompted to log in for Planning access the first time.



Instructional Tips
Every guided pop-up on Read, Actuals, and Model now has a “Don’t show this again” checkbox. Once dismissed, that tip stays hidden for you across every client and session.

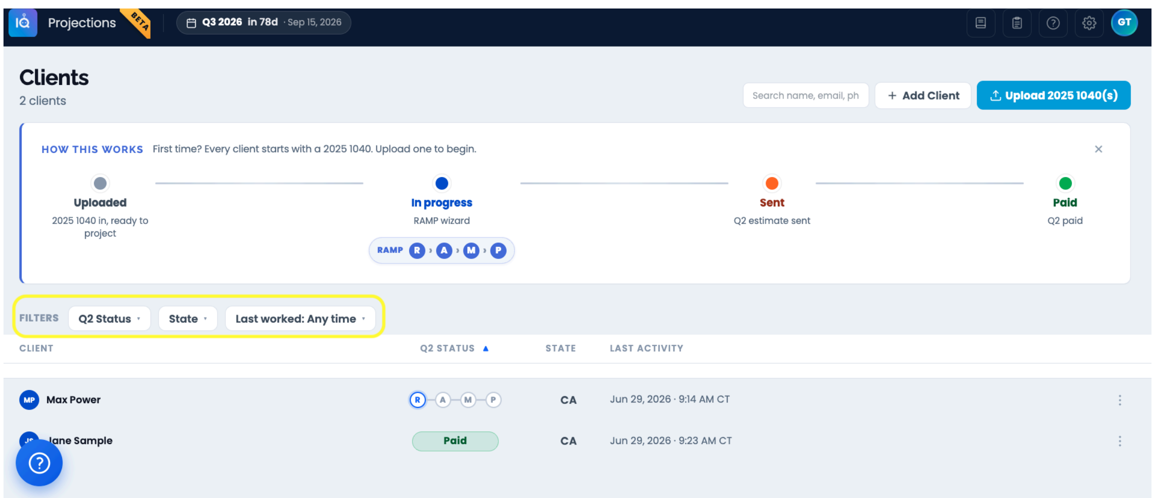
To bring every dismissed tip back, click the gear icon (top right) to open Settings, then click Restore all tips under Instructional Tips.

Quick start: from 1040 to client-ready estimate

Once you've uploaded a 1040 and opened the client's projection, here's the fastest path to a defensible Q2 tax estimate and projection.

The Five Minute Path:

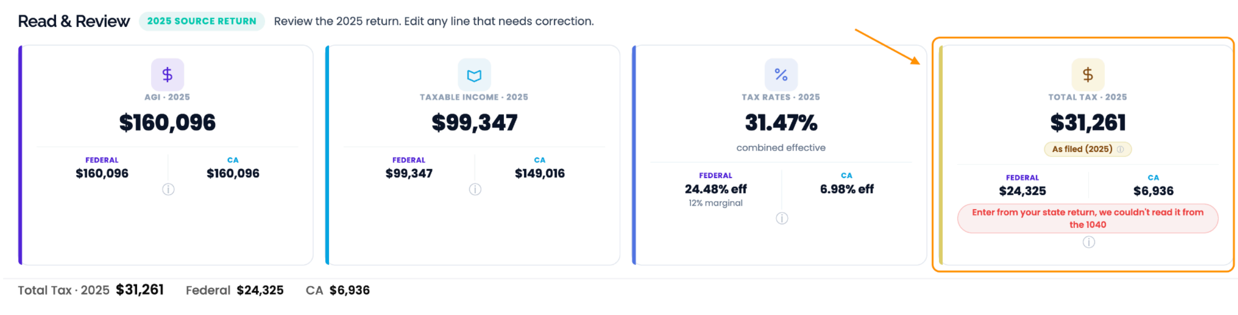
1. **From the Dashboard,** select a client to begin the **RAMP** process. To find one fast, filter the list by **Q2 Status, State,** or **Last worked** (you can combine them), or search by name, email, or phone.



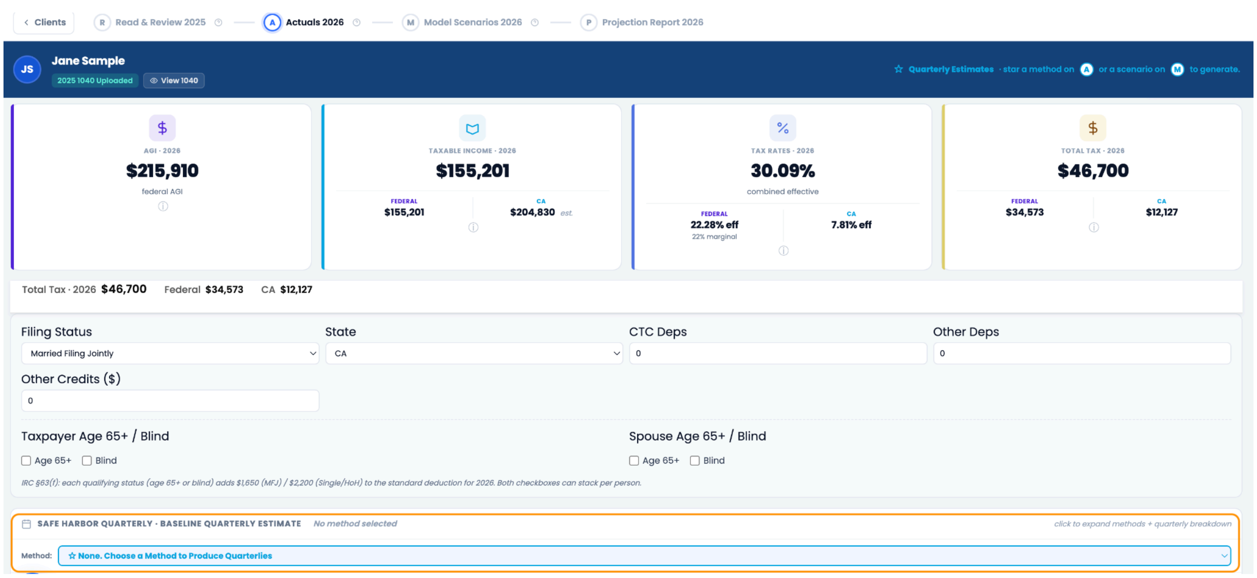
2. **The ‘R’ tab, Read & Review 2025.** Confirm the data import of the prior-year 1040 and correct any field where needed. State of residence and pass-through entity income are the two areas to check carefully.

   We’ve read and imported the return, so double check the total tax ties to the PDF. The federal and state estimated tax show in the top right box, and all details can be traced in the below federal form and state body boxes.

   We cannot import state tax returns at this time; therefore we ESTIMATE the state tax right now. It’s the top priority of what you want to verify. If those numbers are correct, then you’re good to click “Next” to go to the 2026 Actuals tab. If they don’t, take a look at any errors or data discrepancies that may need to be edited. Optical character recognition (OCR) is not 100%. You always want to verify the extracted data.



3. **The 'A' tab, Actuals 2026.** Review the 2026 baseline computed from your 2025 data, then pick a safe-harbor method to produce the quarterly estimate schedule, or you can wait until the next screen when modeling new scenarios.



If the client has changes to their filing status, state (we can only support one state at current time), dependents, or income and deduction items, this is the place to change that information.

It's for what's actually happened or is going to happen based on the client.
(**Note**: This is not where you will do tax planning and strategy ideas) Click Next.

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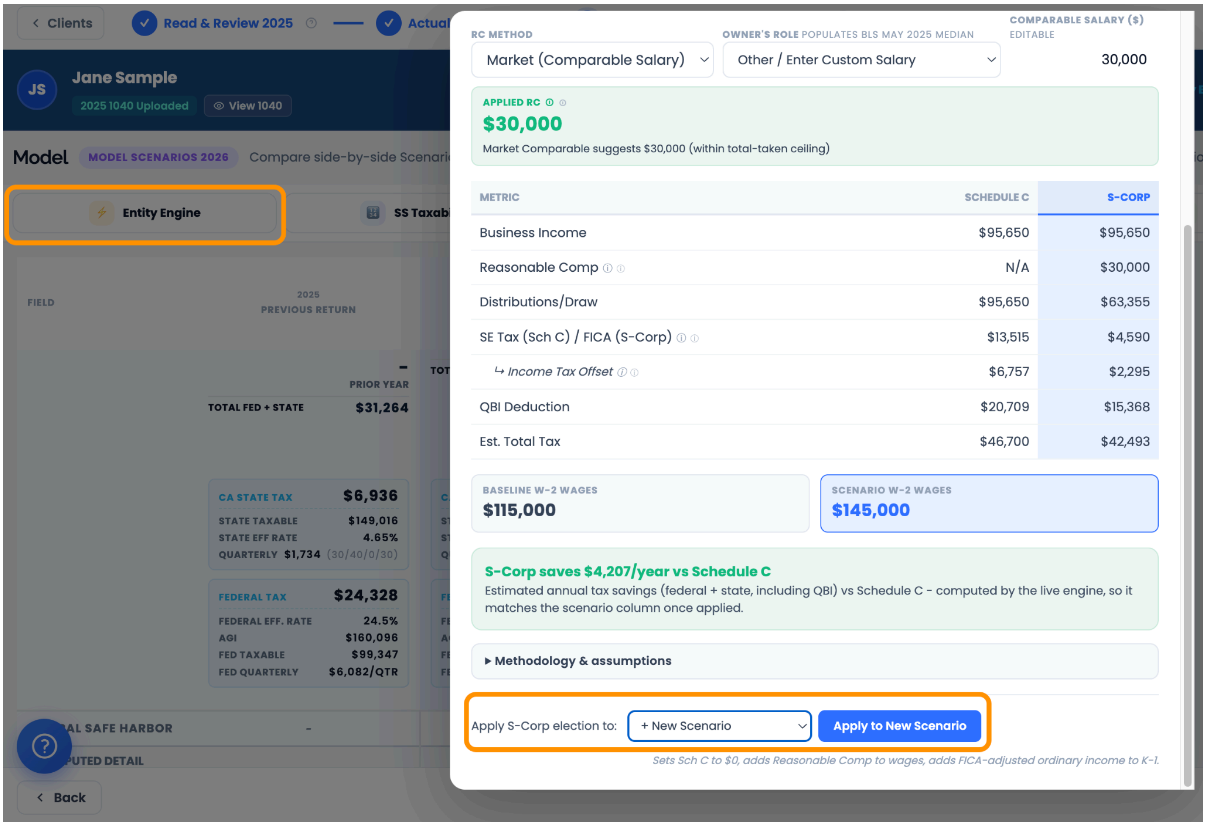
4. **The ‘M’ tab, Model Scenarios.**

No further edits needed unless you want to add a scenario.

If you want to use one of the tools such as Entity Engine (if your client has a Schedule C and wants to compare net savings with an S-Corp, click on a tool then you can apply it to a new or existing scenario).



Click + Add Scenario to manually add a new one. The software copies over the 2026 baseline and allows you to manually adjust income, deductions, and credits.

Click Next to go to the deliverable for the client. It will prompt you to “star” either the baseline 2026 actual info or a scenario to:

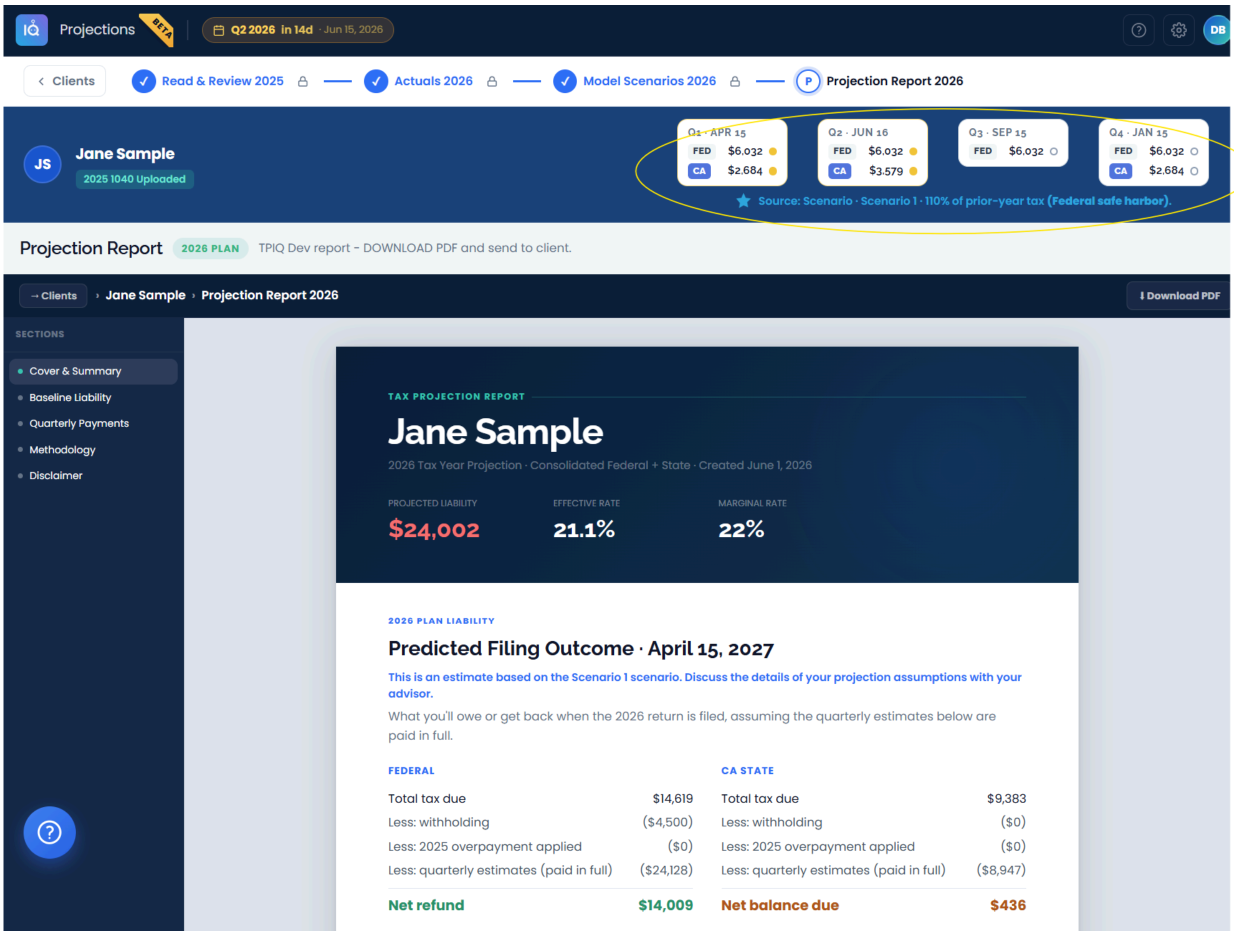
a) produce quarterly estimates for the client and
b) produce the final tax projection using the starred example, which will show what the client would owe next April 2027 IF they make their estimated tax payments in full.

5. **The ‘P’ tab, Projection Report.**

   Click **Download PDF** to save the client-ready report, then print it or attach it to however you provide it to your client.

   Fill in Q1 first. Q1 has already passed (Apr 15, 2026). Click **Q1** in the top-right header area and enter what actually happened: paid amount and date, or mark it as skipped.

   This will revise the report and quarterlies for what needs to be paid for 2nd Quarter and the future. Our next version release will update for 3rd Quarter tax estimate support this fall, when we will support a new copy of the projection.



Those four steps give you a defensible Q2 estimate and a client-ready report. If you don't need to model scenarios, you can skip M entirely — choose your safe harbor method on Actuals, then go straight to the Projection Report.

Tabs are sequential. You move through R, A, M, P in order. Quarterly amounts auto-update in the header area and in the Projection Report as you complete each tab, and star your choices.

The RAMP workflow: A Closer Look

TaxPlanIQ Projections follows a 4-step flow. Each step lives in its own tab at the top of the client's projection page: **R** (Read), **A** (Actuals), **M** (Model), **P** (Report).

You move through these in order. Each tab feeds the next. As you complete each tab, the quarterly amounts in the top-right Safe Harbor Quarterlies and the Projection Report update automatically.

Safe Harbor Quarterlies (the header pills)
The Safe Harbor Quarterlies live in the header, top right. Each quarter is a pill you click to set its status — **sent, paid, skipped,** or left open in draft — working in order from Q1 to Q2. The recommended amounts come from your starred scenario, or from the baseline on the Model tab if nothing is starred, and they update automatically as you complete each RAMP tab.

The pills run Q1 (Apr 15), Q2 (Jun 15), Q3 (Sep 15), Q4 (Jan 15). **Q1 needs your input** — click it to enter the paid amount and date, or mark it skipped. The remaining quarters fill in on their own as you work through R, A, M, and P.

How Q1 flows forward: mark Q1 **skipped** and its full amount rolls into Q2 (Q3 and Q4 stay put). Record a **partial payment,** and only the shortfall rolls into Q2. If Q1 was **overpaid**, the excess reduces Q2, then Q3, then Q4. Federal and state roll independently, so you can treat them differently (e.g., skip federal but pay state). The year's total is always preserved, it only shifts which quarter carries it. Marking a quarter paid does not change its recommended amount, type a dollar figure only when you want to override it.

Marking a quarter paid asks you to confirm before it commits, so a stray click cannot flip a client to Paid. To undo a paid mark, open the row menu on the Clients list and choose Mark Q3 Unpaid (a confirmation resets the quarter to Draft), or click the quarter pill and set the status back to Future / Draft. A client can only be marked paid once a quarterly estimate exists; star a safe harbor method on A or a scenario on M to generate one.

R: Read & Review 2025 (the prior year)

Where TaxPlanIQ shows you what it pulled out of the 1040. You confirm the data is right, review and correct anything that didn't land cleanly.
What you'll see:
- Filing status, dependents, state of residence
- Income by source (wages, interest, dividends, Schedule C, capital gains, K-1s)
- Adjustments, deductions, credits
- Total tax line (Form 1040 Line 24) and the effective rate

What to do:
- Spot-check each section against the actual 1040 PDF
- Click any field to edit or override the data that needs correction. Look closely at **state of residence** and **pass-through entity income (Schedule C, K-1)**.
- When you're satisfied the prior year is accurate, click **Next: Actuals**

Don't skip the Read tab. The 2026 safe harbor is derived from the 2025 numbers on this tab.

Entity settings: Active/Passive and the §199A trade or business checkbox
Each pass-through entity (Schedule C, Schedule E rental, Schedule F, K-1) has two separate settings that answer different questions.

Active/Passive controls the passive loss rules. A rental marked Passive with a net loss does not reduce AGI; the loss is suspended and carried forward under §469 (Form 8582). Marked Active, the §469(i) $25,000 exception applies, phasing out between $100,000 and $150,000 of AGI (MFJ).
Qualifies as §199A trade or business controls whether the entity's income counts toward the QBI deduction. This is separate from Active/Passive: a passive S-Corp investor can still receive QBI on their K-1 share, and a rental meeting the Rev. Proc. 2019-38 safe harbor (about 250 hours per year) can qualify while passive. Check it when the activity rises to the level of a trade or business.
When in doubt, match how the item was treated on the filed 2025 return, then adjust deliberately as part of planning.

A: Actuals 2026 (safe harbor based on 2025 data)

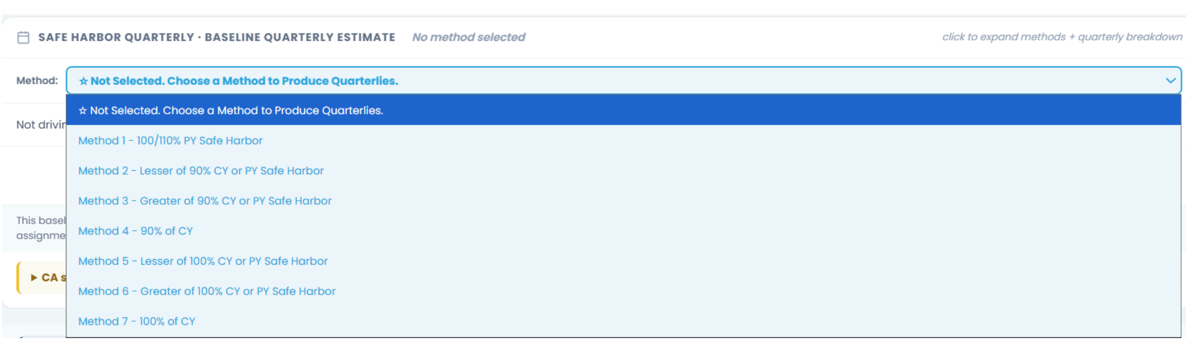
This is the 2026 safe harbor that TaxPlanIQ computes from the prior-year 1040 you reviewed on the R tab. It's the baseline number for the client's Q2 voucher.

What you'll see:
- 2026 baseline tax: federal, state, SE, combined
- Effective rate and marginal rate for 2026
- Safe harbor method picker, you choose a method to produce the quarterly schedule (see below)
- Quarterly voucher schedule with Q1 (already entered), Q2, Q3, Q4 amounts

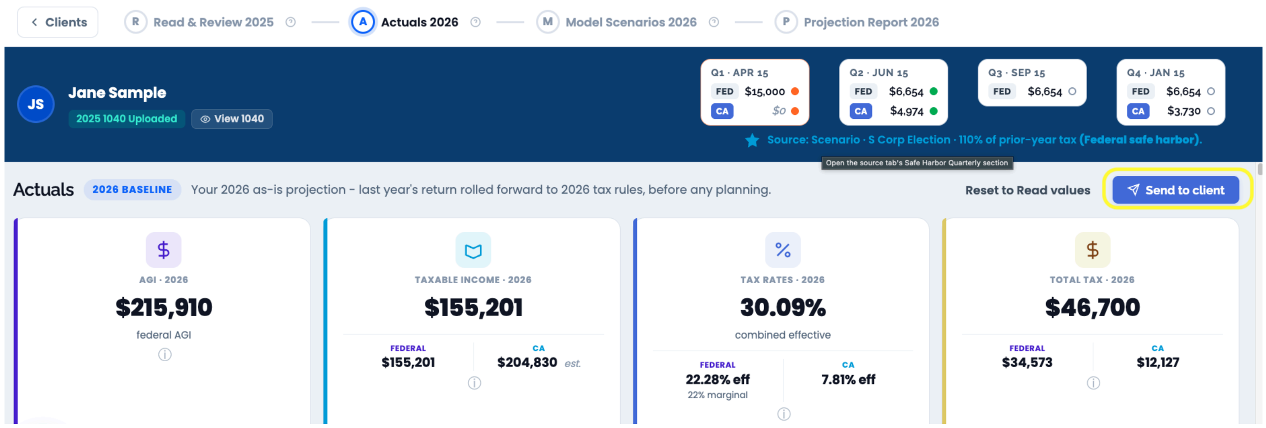
About the safe harbor: Pick a method to produce the quarterly schedule, the panel prompts you to choose and shows no voucher amounts until you do (nothing is auto-applied). For most clients, method **m6** is the recommended pick: the higher of (a) current-year baseline tax, or (b) the IRS-prescribed prior-year anchor (110% of prior-year tax for AGI above $150K MFJ / $75K MFS; 100% otherwise). m6 protects clients whose 2026 picture has grown beyond 2025, since it follows the higher number, not just the prior-year anchor. Methods m1 through m7 are all selectable.

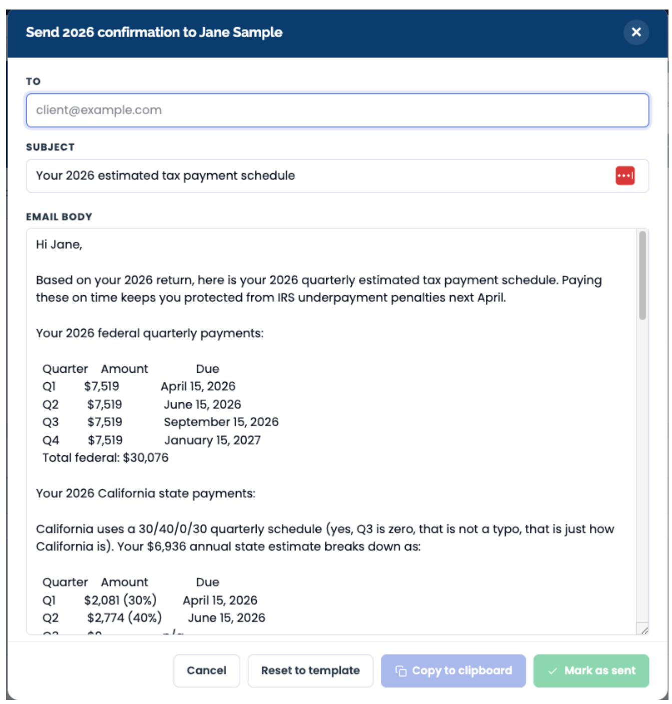
Projection only (no quarterly estimates): choose this option in the same picker for annual-only engagements. After you confirm, all four quarters clear, the quarterly pills hide, and the report drops the quarterly schedule and next-payment callout; the dashboard shows an "Annual, no estimates" chip instead of quarter dots. This is different from None, which just means no method has been chosen yet. It is reversible: pick any method m1 through m7 and the quarters repopulate. If any quarter is already sent or paid, the switch is blocked until you unmark that quarter first.

Per IRC §6654(g), federal W-2 withholding counts toward safe harbor, so the per-quarter voucher amount is the post-withholding remainder, not the gross target divided by 4.



Send to client (optional) — email the 2026 baseline as a teaser. The Actuals tab has a **Send to client** button (top right) that opens a pre-written email showing the client their **2026 baseline only** — the as-is safe-harbor quarterly estimate, before any tax planning. The email lists the federal and state quarterly amounts and due dates, briefly explains how the numbers were derived, and includes a built-in offer of two follow-on services (a current-year projection and a full tax-planning engagement) so the client can reply to engage. It also asks them to report each payment's date and confirmation number for your file. The text is fully editable — replace the [Your name] / [Your firm] placeholders before sending.





What the buttons do:

- **Copy to clipboard** — copies the email so you can paste and send it from your own inbox. The system does not send it for you.
- **Reset to template** — restores the default wording.
- **Mark as sent** — records that you've sent it.

This baseline email is separate from the Projection Report PDF on the P tab, which you download and send after planning to show the baseline-vs-plan comparison.

Reset to Read values discards your Actuals edits and pulls the numbers back to the Read tab.

What to do:

- Confirm the baseline tax looks right vs your gut estimate
- Adjust the safe harbor method if needed
- Optionally, **send the client their 2026 baseline schedule** as a teaser. See *Send to client* above.
- If the client's 2026 picture is materially different from 2025, click **Next: Model** to build a scenario. If not, you can skip to P.

M: Model 2026 (scenarios & client situation changes)

The M tab is where you put in **any new scenarios or changes to the client's situation for 2026**. If the client got a raise, started a new business, sold stock, plans to convert to an S-Corp, or just wants to model "what if I max out my Solo 401k," this is where it happens. Build what-if scenarios alongside the baseline and see savings side by side.

The IQ tools ribbon (six tools in Beta):

- **Entity Engine**, modeling Schedule C to S-Corp conversion
- **SS Taxability**, Social Security inclusion-formula diagnostic
- **Roth Conversion**, optimal conversion amount and bracket fill
- **IRMAA**, Medicare premium-tier diagnostic
- **Solve for Max**, highest-savings strategy search
- **Range Calc**, marginal-rate-and-savings range across an income window

Scenario columns:

- Baseline (the 2026 projection from the A tab)
- Up to 5 scenarios per client (the Add Scenario button goes away once 5 exist)
- Each scenario shows federal tax, SE / payroll tax, state tax, combined, and quarterly amount
- Click **Add Scenario** to create a new column. It copies the previous scenario (or Baseline if none exist yet), so you can adjust from there. Click the **Copy icon** on a scenario column to reset it to the original 1040 values.

The Entity Engine shortcut: For Schedule C clients, click Entity Engine and pick the proposed reasonable comp. Entity Engine default reasonable compensation is 100% of the business's (Schedule C) taxable income, a deliberately conservative starting point. The BLS Occupational Employment Statistics (current year OEWS) median wage is offered as a one-click suggested benchmark, capped at business income - It is <u>not</u> an auto-applied default. The advisor can adjust down from there with justification.

Override the dollar amount directly if the BLS median doesn't fit the client's facts. TaxPlanIQ then models the S-Corp election side by side with the current setup, including tax savings, K-1 distribution, and quarterly impact. The savings reflect the §199A QBI change: the reasonable compensation you set is paid as W-2 wages and is excluded from QBI, so the S-Corp's QBI deduction is based on the K-1 pass-through rather than the full Schedule C profit.

Apply from Q[N] forward: If you want one of your scenarios to actually change the client's quarterly estimates (not just show savings), pick the STAR on that scenario.

P: Projection Report (the deliverable)

The final tab generates a client-ready PDF report that you download and deliver to the client.

What's in the report:

- The starred Projection for 2026, whether Baseline (Actuals) or a Scenario.
- The quarterly estimates based on the safe harbor method selected on the Star'ed projection.
- Key Takeaways ("What This Means for You"): a plain-language summary of the projected liability, effective rate, and next quarterly payment, pulled from the client's real numbers. Toggle it on or off in the report-sections editor on the right rail.
- Year-over-Year Comparison (new, appears once you've starred a Model scenario)
- A Projection Summary now sits above the tax bill: AGI, Taxable Income, and Effective Tax Rate for your starred scenario.
- Below that, a side-by-side comparison table: 2025 Prior Year, 2026 Baseline (if you do nothing), and your starred plan, each shown with AGI, Taxable Income, Federal Tax, State Tax, Total Tax, and Effective Tax Rate.
- Up to 3 scenarios can appear, ranked by lowest Total Tax

To deliver: Click **Download PDF** on the P tab to save the client-ready report. It carries the quarterly schedule, the methodology explanation, and the IRC §6654(g) safe-harbor citation.
Then provide it to the client. Sending directly from TaxPlanIQ is on the roadmap for a later release.

TaxPlanIQ Projections - IQ Tools

The IQ tools are six planning calculators built into the Model tab of Projections. Each answers one tax-planning question, shows you the numbers, and (for five of the six) lets you apply the result straight into a scenario so it flows through the client's quarterly estimates and report.

Where to find them: Open a client's projection and go to the Model tab. The six tools sit in a row of cards near the top (the "IQ ribbon"): Entity Engine, SS Taxability, Roth Conversion, IRMAA, Solve for Max, Range Calc. Click a card to open that tool.

How "Apply" works (the same for every tool except IRMAA): When you like a result, pick where it should go in the "Apply to" dropdown - either "+ New Scenario" or one of your existing scenarios - then click Apply. The tool writes its numbers into that scenario column. It never changes your Baseline. From there the scenario drives the projection and quarterly estimates like any other.

Two things to keep in mind: the IQ tools model 2026 tax law only, and every result is a planning estimate - always confirm against your production tax software before relying on a figure with a client.

1. ENTITY ENGINE - "Should this client be an S-Corp?"

What it does: Compares the client's federal tax (including the QBI deduction and state tax) as a Schedule C sole proprietor versus an S-Corp election, and estimates the annual tax savings from electing S-Corp after setting a reasonable salary, payroll FICA, and the remaining K-1 pass-through.

When to use it: A profitable Schedule C or single-member LLC client who could cut self-employment tax by paying themselves a reasonable wage and taking the rest as distributions.

Before you start (required today): Entity Engine currently reads the client's Schedule C income from the baseline, so the client must already have Schedule C income in their baseline for it to work. If they don't, go to the Actuals tab and add their Schedule C income to the baseline first, then come back to the Model tab and open Entity Engine.

How to use it:

1) Model tab > IQ ribbon > Entity Engine.

2) Confirm or enter Net Business Income, Other W-2 Income, and Total Taken Out (wages + distributions) - the cash taken out caps the reasonable salary.

3) (Optional) Enter a Distribution Override ($0 = let the tool set it from the reasonable-comp method).

4) Choose an RC Method (Market, Cost, or Income/Investor Test) and the Owner's Role (pulls an editable BLS median salary), or type a Comparable Salary / Replacement Cost directly. For the Income method, enter Owner's Capital Invested and Target ROI %.

What you'll see: the applied reasonable salary, a side-by-side Schedule C vs S-Corp table (business income, reasonable comp, distributions, SE tax vs FICA, QBI, estimated total tax), baseline vs scenario W-2 wages, the estimated annual S-Corp savings, and a "Methodology & assumptions" section that documents the salary source for your workpapers.

Applying it: pick a scenario in "Apply S-Corp election to" and click Apply. It zeroes Schedule C, moves the reasonable salary to W-2 wages, and moves the remaining profit to a K-1.

Good to know: Entity Engine needs Schedule C income in the baseline to run today - set it on the Actuals tab first (see "Before you start"). Savings are a federal estimate and do not include state payroll taxes (SUTA/SDI); the reasonable salary is capped at the cash actually taken out; a C-Corp comparison is not in this version. Entity Engine is being enhanced - we are expanding it to compare scenarios directly in a later release, and this section will be updated when those changes ship.

Important: The suggested reasonable compensation is provided as a planning aid and starting point only. Advisors remain responsible for determining reasonable compensation based on all relevant facts and circumstances applicable to the client.

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2. SS TAXABILITY - "How much of my client's Social Security is taxable?"

What it does: Estimates the taxable portion of Social Security benefits (0%, 50%, or 85%) using the IRS provisional-income tiers for the client's filing status, and shows how that shifts as income changes.

When to use it: Any client collecting Social Security, especially when other income (IRA withdrawals, a Roth conversion, wages) could push more of the benefit into the taxable range.

How to use it:
1) Model tab > IQ ribbon > SS Taxability.
2) Enter Gross SS Benefits (it pre-fills from the prior return when available). Filing status comes from the scenario.

What you'll see: provisional income, taxable Social Security, and the estimated tax on it; the filing-status thresholds; and a sensitivity table showing taxable SS as income moves from -$20K to +$50K. If the client is already at the 85% cap, it tells you how much of an income reduction it would take to drop below it.

Applying it: pick a scenario and click Apply to set the gross and computed taxable Social Security.

Good to know: thresholds depend on filing status (MFJ $32K / $44K, Single $25K / $34K); the sensitivity table hides itself when the client is far above the cap, because every row would simply read 85%.

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3. ROTH CONVERSION - "How much can my client convert without jumping a bracket?"

What it does: Models converting a Traditional IRA to Roth, showing the added tax at different conversion amounts and the "sweet spot" that fills the current bracket without spilling into the next rate. It handles cost-basis recovery (Form 8606) pro-rata.

When to use it: A client in a temporarily low bracket (gap year, early retirement, a down business year) who wants to convert while rates are low.

How to use it:
1) Model tab > IQ ribbon > Roth Conversion.
2) Enter Current IRA Balance (your estimate or Form 5498 Box 5) and, if any, IRA Basis (Form 8606).

What you'll see: baseline tax, bracket room, and the sweet-spot conversion amount, plus a table of conversion amounts with the added tax and the true marginal cost. That marginal cost includes phase-outs (NIIT, additional Medicare, IRMAA), not just the bracket rate.

Applying it: click Apply on the conversion-amount row you want; it adds that amount to the scenario's IRA income.

Good to know: the IRA balance is advisor-entered (no OCR in this version); with no basis entered, the full conversion is treated as taxable; the table waits until a baseline has loaded from Read or Actuals.

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4. IRMAA - "Will more income raise my client's Medicare premiums?"

What it does: Shows the Medicare Part B and Part D premium surcharges (IRMAA) by income tier for clients age 65+, where the client sits today, the annual cost, and how much income headroom is left before the next tier.

When to use it: Medicare-age clients, and any time you model a Roth conversion, RMD, or income bump that could cross an IRMAA threshold.

How to use it:
1) Model tab > IQ ribbon > IRMAA.
2) Set the Medicare enrollment status (none / one spouse / both - it defaults to none until you confirm).
3) If you have more than one scenario, use "Evaluate IRMAA for" to check a specific scenario's income.

What you'll see: current MAGI, the annual IRMAA surcharge, room to the next tier, and the full tier table with your client's tier highlighted.

Applying it: IRMAA is view-only - there is no Apply button. Use it to see the impact and time income accordingly, and toggle between scenarios to compare.

Good to know: enrollment defaults to "not enrolled" until you set it (date of birth is not captured yet); thresholds differ by filing status; 2026 tiers only.

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5. SOLVE FOR MAX - "How much more ordinary income fits in the current bracket?"

What it does: Calculates the maximum additional ordinary income the client can take while staying inside their current federal bracket, with a waterfall showing how the brackets fill.

When to use it: Bracket-edge planning - deciding how much wage, bonus, distribution, or conversion to take without tipping into the next rate.

How to use it:
1) Model tab > IQ ribbon > Solve for Max.
2) No inputs needed - it reads the baseline.

What you'll see: bracket room (dollars to the next bracket), max stable income, the current bracket rate, and a bracket-by-bracket waterfall marking where the client currently lands.

Applying it: pick a scenario and click "Apply +$X to wages" to raise wages by the bracket room.

Good to know: at the top (37%) bracket it shows "already at top bracket - no headroom"; it uses the pure bracket rate. Use Range Calc when you want the all-in marginal rate including phase-outs.

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6. RANGE CALC - "What does an income change do across the board?"

What it does: A sensitivity table showing federal tax, combined federal + state tax, effective rate, and all-in marginal rate across a range of income changes (from -$100K to +$200K).

When to use it: When you want the full picture of an income move - not just the bracket, but the effective and true marginal rates including SE tax, additional Medicare, NIIT, and QBI phase-outs.

How to use it:
1) Model tab > IQ ribbon > Range Calc.
2) No inputs needed - it reads the baseline.

What you'll see: a row per income change with total income, federal tax, combined tax, effective %, and all-in marginal %. The baseline row is highlighted.

Applying it: click Apply on the row you want to set the scenario's wages to that income level.

Good to know: the "All-in Marg" column includes phase-outs and is intentionally different from Solve for Max's pure bracket rate. Use all-in marginal for income-bump decisions and the bracket rate for bracket-edge planning.

Frequently Asked Questions

Q: Where do I find Projections after I sign in?
Look at the landing screen right after sign-in. There are two icons in the middle of the page. **Projections is the second icon.** Click it to enter the standalone Projections module.

Q: Why isn't Projections inside my regular TaxPlanIQ app?
It's a standalone module at this time. Connecting Projections into the main TaxPlanIQ Planning platform is on our roadmap. For now, launch it from the landing-screen icon. Once you are in the Projections software, you can navigate over to Planning software by clicking on the IQ icon in the to left corner, then click *Switch to Tax Planning*

Q: How long does the 1040 take to process after I upload?
About 60 seconds per file. If you bulk-upload, files queue up and process in the background. You can close the tab and come back later, your client list will be ready.

Q: Why do I have to enter Q1 manually?
Q1 (Apr 15) has already passed for the 2026 tax year. TaxPlanIQ needs to know what actually happened: did the client pay, and if so, how much and when? Or was it skipped? Click the **Q1** button in the top-right header area to enter the actuals in the top-right header area to enter the actuals. The other quarters auto-calc as you work through the RAMP tabs.

Q: Can I override the Actuals 2026 baseline directly?
Yes, the Actuals tab shows the 2026 safe harbor computed from the prior-year 1040 data on the R tab. If the client's 2026 picture is different from 2025 (raise, new business, sold stock, planning to convert to S-Corp), override fields as needed.

Q: Do I have to do the tabs in order?
Yes. R, A, M, P, in order. Each tab feeds the next. As you complete each tab, the quarterly amounts in the top-right Safe Harbor Quarterlies and the Projection Report update automatically.

Q: How accurate is the state tax estimate?
Version 1 calculates state tax based on federal AGI.. The number is an estimate, not a full state return calculation. For complex state situations (multi-state residency, PTET elections, state-specific credits, AMT), verify against your state tax software or override on the M tab.More precise state tax calculations are coming in future versions..

Q: What if my client's state isn't supported?
TaxPlanIQ skips the state box for the 9 no-income-tax states: Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington, Wyoming. For the 41 income-tax states, this version calculates each state's tax using federal AGI.

Q: Can my client see this in real-time?
No. You download the PDF report and deliver it to the client yourself.

Q: How is client data protected?
We don't import PII into Projections or the main TaxPlanIQ platform. Returns are redacted at upload, so the underlying data the system works from is already stripped of personally identifying information.

Q: Do I need to verify the numbers in my compliance software?

TaxPlanIQ Projections is a planning and projection tool. It's not a return prep replacement. For year-end filing accuracy, your compliance software (ex: Drake, Lacerte, ProConnect, CCH) remains the source of truth. Projections numbers are estimates to support quarterly estimates and planning conversations, especially during Beta.

Q: Can I edit the Projection Report before I download it?
The PDF is generated from the data in the R, A, M, and P tabs. To change what appears in the report, change the underlying data (or build a scenario on M), and the report regenerates, then download it again. Direct PDF editing is not available at this time.

Q: What if the 1040 data import misses something?
Common with handwritten returns, scanned PDFs, or unusual forms. Click any cell on the R tab to override. Your entered value shows in place of the imported data throughout the projection.

Q: Which tax years are supported in this version?
It supports uploading a **2025 1040** to produce a **2026 projection**. Support for additional prior-year tax years (and future-year projections) will be added in upcoming versions.

Q: Can I run projections for clients on extension?
You'll need a filed 2025 1040 to project 2026. If a client is still on extension and the 2025 return isn't filed yet, you can wait until it is, or use an earlier-year return in a future version.

Q: Does Projections support C-Corp (1120) returns? No. Projections works from the 2025 Form 1040 and its main supporting schedules. It is not a 1120 or entity-return tool. If a client owns a C-Corp, any dividends paid to them flow onto their 1040 via Schedule B as usual, and Projections reads them there. The C-Corp's own return is out of scope.

Q: How are multi-entity structures (partnerships, multi-owner LLCs, 1065s) handled? V1 reads related parties from the 2025 return (Schedule C through Schedule F) and carries them forward to the 2026 Actuals tab. It assumes the treatment of each item based on how it appeared on the 2025 1040. You can adjust each entity's Active/Passive setting and its §199A trade or business checkbox on the R tab; losses from entities marked Passive are suspended and carried forward per §469 rather than reducing AGI. So related-party data is available and carried forward, but advanced multi-entity scenario modeling is a future enhancement.

Q: Can I apply TaxPlanIQ strategies inside Projections? Not in V1. Projections shows clients their estimated tax liability under their current situation and scenarios. The full library lives in the main TaxPlanIQ Planning module. Applying a tax-plan set of strategies directly to a projection is one of the biggest benefits of the combined product, planned for Q4 at the earliest when the two modules connect.

Q: Will Projections get a dedicated chatbot (QBot)? Yes, in a future version. QBot is part of what rolls into the next set of beta features. It is not in V1.

Q: How should I position Projections vs. Planning when selling? Projections shows clients where they are today, their estimated tax liability across their actual situation and scenarios. Planning (the main TaxPlanIQ app) shows them how much our strategies could reduce that liability. Sell Projections as the "here's your number" tool and Planning as the "here's how we lower it" tool. The combined experience (apply strategies directly inside a projection) is coming Q4 at the earliest.

About this release

This is the Version 1 beta release of TaxPlanIQ Projections, available to **Growth-tier subscribers first**, with broader access coming this fall. We prioritized functional accuracy and a trusted baseline. Q2 quarterly estimates and 2026 projections are the Version 1 launch focus, with visual polish refined through May based on advisor feedback.

This initial version focuses on accuracy and the core workflow. The product will continue to evolve based on direct feedback from customers and tax experts on our team.

During beta, you have a direct line to the product team. If you have a question, or have ideas for improvement, connect with us using the Help Icon inside the software or by emailing support@taxplaniq.com. Your feedback helps shape future versions of TaxPlanIQ Projections.

Where to get help

- **TaxPlanIQ Support Team:** email support@taxplaniq.com
- **Beta feedback:** Feedback form for product requests and bug reports (Within the Help icon)

Recording of Live Projections Software Training

Watch Here

Appendix A — Beta Expectations & Things to Know

Version 1 Beta · Companion to the Projections User Guide

This guide explains the *intent* behind how Projections works during beta so you can move through a projection confidently without getting stuck on something that's working as designed. If you hit something not covered here, reach us through the Help Icon (bottom left) or at support@taxplaniq.com.

The one-line version: Projections is built for defensible quarterly estimates and planning conversations, not penny-perfect return replication. Small differences from your compliance software are expected and explained below. You can override almost anything.

Category 1 — Rounding & precision (what's normal)

Why do my numbers round differently on different tabs? Projections rounds at different precision depending on the tab's purpose:

- **Read (2025) tab:** rounds to the nearest **~$5**. This tab is reconciling to a filed return, so it stays tight to the PDF.
- **Actuals & Model (2026) tabs:** round to the nearest **~$200**. These are forward-looking estimates, not filed figures. Estimating 2026 to the dollar would imply a precision the data doesn't support, so we round to a level that's honest about what a projection is.

Is rounding a bug? No. If your Read tab total tax is within ~$5 of the 1040 PDF, and your 2026 estimates are "round" numbers, that's the system working as designed. Only flag it if the Read tab is off by more than a few dollars from the filed return.

Why isn't this penny-perfect like my tax software? Because it's a projection, not a filed return. The goal is a defensible quarterly estimate and a planning conversation, not a replacement for your compliance software at filing time. For year-end filing accuracy, your compliance software (Drake, Lacerte, ProConnect, CCH) is still the source of truth.

Category 2 — State tax estimates (the #1 thing to verify)

How is state tax calculated in V1? State tax is **estimated from your federal AGI** (plus the state standard deduction where available). It is NOT a full state return calculation. We cannot import state returns yet.

Why might my state number look off? Because V1 does not yet model state-specific adjustments: add-backs, subtractions, state credits, PTET elections, state AMT, or conformity differences. The estimate uses federal AGI as the starting point. For many clients this is close; for clients with significant state-specific items, it can differ from their actual state return.

What should I do about it? State tax is the **#1 thing to verify** on every projection. If the estimate doesn't match what you know about the client's state situation, **override the state taxable income and/or state tax directly** in the state input box. Your override flows through the rest of the projection.

Which states are handled?

- **9 no-tax states** (AK, FL, NV, NH, SD, TN, TX, WA, WY): state box is skipped entirely.
- **41 income-tax states:** calculated from federal AGI.
- **California:** uses the Form 540-ES 30/40/0/30 quarterly cadence.
- **All other income-tax states:** default to equal quarters (25/25/25/25).

Full state adjustment support is a top priority for a future version.

Category 3 — The additional 2026 deductions (OBBBA)

What are the new deduction lines I'm seeing? 2026 introduces the OBBBA additional deductions: qualified tips, qualified overtime, qualified passenger vehicle loan interest, and the enhanced senior deduction. These flow to Form 1040 line 13b and reduce **taxable income**, not AGI.

Why does the deduction sometimes show but not change the tax much? These deductions phase out at higher incomes. If your client is above the phase-out threshold, the deduction may display but contribute little or nothing to the tax calc, that's the phaseout working. The displayed amount and the amount actually used in the calc can differ for high earners.

These roll forward from 2025, do I need to check them? Yes. Because V1 rolls 2025 figures forward as a starting point, verify the 2026 additional deduction amounts reflect the client's actual 2026 situation. Override on the Actuals tab if they changed.

Category 4 — Entity Engine (S-Corp modeling)

Why is the S-Corp savings smaller than I expected? Because Projections nets the **lost QBI deduction** against the payroll-tax savings. When you pay yourself reasonable compensation as W-2 wages in an S-Corp, those wages are excluded from QBI, so the §199A deduction shrinks. A correct S-Corp savings number accounts for both the SE/payroll tax savings AND the lost QBI, which is why it's often smaller than a back-of-envelope "payroll tax savings only" figure.

Where does the default reasonable comp come from? The BLS Occupational Employment Statistics (current OEWS) defaults to 100% of the business income. (22 roles available; Watson v. US, 8th Cir. 2012 precedent). Override the dollar amount directly if the BLS median doesn't fit the client's facts.

Why does "Total Taken Out" matter? Applied reasonable comp = the lesser of comparable salary or total taken out (distributions). If you're modeling a brand-new business with no distribution history, set Total Taken Out so the engine has a ceiling to work from, otherwise savings can look inflated.

Category 5 — Quarterly estimates & the header pills (Q1 → Q2 flow)

Why do I have to enter Q1 manually? Q1 (April 15, 2026) has already passed. The system needs to know what actually happened so it can correctly calculate Q2. Click the Q1 pill in the top-right header and enter the paid amount and date, or mark it skipped.

What happens to Q2/Q3/Q4 when Q1 is skipped or underpaid?

- **Q1 skipped:** the full Q1 amount rolls into **Q2 only**. Q3 and Q4 stay at their normal amounts.
- **Q1 partial payment:** only the shortfall rolls into Q2. Q3 and Q4 unchanged.
- **Q1 overpaid:** the excess reduces Q2 first, then Q3, then Q4.
- The year's total is always preserved, it only shifts which quarter carries it.

Why is my Q2 voucher bigger than I expected? If Q1 was skipped or underpaid, Q2 includes the catch-up. The Projection Report includes a disclosure explaining this to the client. This is intentional, so the client gets back on track with a single Q2 payment rather than staying underpaid all year.

Do federal and state work together or separately? Separately. Federal and state quarterlies roll independently, so you can treat them differently (e.g., skip federal Q1 but pay state Q1).

I marked a quarter "paid", did that change the recommended amount? No. Marking a quarter sent, paid, or skipped is a status, it does NOT change the recommended dollar amount. Only type a dollar figure when you intend to override the recommendation.

Why does the system want Q1 settled before I mark Q2? Because the Q2 amount depends on what happened in Q1. Set Q1's status first, then Q2 reflects the correct catch-up (or not).

IMPORTANT: Only mark a quarter SENT or PAID once your report is final. Marking a quarter sent or paid records those quarterly figures as final for the client. If you go back afterward and change the safe harbor method, add a scenario, or re-star a different projection, the quarterly amounts will change, and that can reset or override the status you set on the pills. Finish your projection, confirm the report is what you want to deliver, THEN mark Q1 and Q2 status. Treat marking sent/paid as the last step, not a mid-workflow step.

Category 6 — Safe harbor method (which to pick)

There are 7 methods, which one do I use? For most clients, **Method 6 (m6)** is the recommended pick: the higher of (a) current-year baseline tax, or (b) the IRS prior-year anchor (110% of prior-year tax for AGI above $150K MFJ / $75K MFS; 100% otherwise). m6 protects clients whose 2026 picture has grown beyond 2025. If the engagement does not include quarterly estimates at all, choose Projection only (no quarterly estimates) instead of a method. See the Actuals section for what this changes.

Why are no voucher amounts showing until I pick a method? Nothing is auto-applied. The panel waits for you to choose a method so you're making a deliberate decision, not accepting a default you didn't see.

Why is my per-quarter voucher less than (total tax ÷ 4)? Because federal W-2 withholding counts toward safe harbor (IRC §6654(g)). The per-quarter voucher is the **post-withholding remainder**, not the gross target divided by four.

Category 7 — OCR & data import (verify, don't assume)

How accurate is the 1040 import? OCR is not 100%. It's strong on standard typed returns and weaker on handwritten returns, scanned PDFs, and unusual forms. **Always verify the extracted data against the original PDF**, especially state of residence and pass-through entity income (Schedule C, K-1).

What if the import missed or misread something? Click any field on the Read tab to override. Your entered value replaces the imported data throughout the projection.

I see an OCR audit flag about a missing Schedule A breakdown, is that a problem? Not necessarily. If the total deduction is captured correctly, a missing component-level breakdown (the individual Schedule A line items) does not block your projection. Verify the total ties to the PDF and proceed.

Why don't I see the client's name / SSN in the system? PII is redacted at upload by design. The system works from a de-identified version of the return. Use your originally uploaded PDF to verify identifying information. A redacted-return comparison view inside Projections is coming in a future version.

Category 8 — Beta scope (what's intentionally not here yet)

These are intentionally out of scope for V1, not bugs:

Not in V1 (by design)	Why / when
Direct client email from the system	You send it yourself — copy the **Send to client** baseline email (A tab) or download the **Projection Report PDF** (P tab). One-click automated send is on the roadmap.
Full state return calculation	State is estimated from federal AGI in V1. Full state adjustments are a top priority for a future version.
Projections inside the main TaxPlanIQ Planning app	Projections is a standalone module in V1. The two modules connect later this year.
Auto-population of your existing client list / 1040s	Projections and the main app aren't connected yet, re-upload 1040s into Projections.
Tax years other than 2025 → 2026	V1 supports a 2025 1040 to project 2026. More years coming.
Q3 / Q4 dedicated workflow	V1 focuses on Q2. Q3 support arrives this fall with a new projection copy.
Multi-state residency	V1 supports one state per client.
jAIne AI assistant inside Projections	Coming in a future version.
Editing the PDF directly	Change the underlying tab data and the report regenerates; then re-download.

Category 9 — What to report vs. what's expected

Expected (no need to report):

- Read tab rounding to ~$5, 2026 tabs rounding to ~$200
- State tax estimate differing from a complex client's actual state return (override it)
- S-Corp savings smaller than a payroll-tax-only estimate (QBI is netted)
- Q2 larger than expected when Q1 was skipped (catch-up is intentional)
- Per-quarter voucher less than total ÷ 4 (withholding counts)
- OCR audit flag on a missing Schedule A breakdown when the total is captured
- Additional 2026 deductions displaying but contributing little for high earners (phaseout)

Worth reporting (Help Icon or support@taxplaniq.com):

- Read tab total tax off by more than a few dollars from the filed 1040
- A field you can't override or that reverts after you save it
- A client or projection that disappears or won't load
- The Projection Report PDF failing to generate
- A quarterly amount that doesn't update after you change Q1 status
- Actuals and Model baselines differing for the same client with no scenario changes applied (these should match, let us know if they don't)
- Anything that stops you from completing a projection end-to-end

When you report, the most helpful details are: client/projection, the tab, what you expected, what you saw, and a screenshot or Loom if you can.

A note on Beta

You have a direct line to the product team right now — and we genuinely want to hear from you. Tell us what's working, what's confusing, and what you wish it did. Your feedback shapes what ships next. Reach us anytime through the **Help Icon** (bottom left) or **support@taxplaniq.com**.