

IRS: Electronic filings doubled, so far

By JUDY THOMAS
Times Correspondent

Electronic income tax filing could be coming of age.

The latest figures indicate that nearly 2.2 million taxpayers have filed their taxes electronically on personal or home computers, an increase of more than 96 percent in usage from individuals who had filed this way by the end of February last year.

Regional IRS spokesperson Bill Cressman said his office is "experiencing tremendous growth" in the home/personal computer version of electronic filing, a trend which, he indicated, is in the best interest of the federal government and taxpayer.

These figures are indicative, he said, of the increasing popularity and acceptance of this mode of filing by the public.

IRS regional spokeswoman Donna

Hargrave said that "streamlining" their process to include electronic filing is not only more cost effective for the IRS and consequently the taxpayer, but can "make taxes less taxing" for the taxpayer.

Cressman agreed that this type of filing, done through an authorized tax filing software package, is faster, easier, and more accurate than returns prepared by hand.

"Ninety-nine percent of errors made on a paper return are avoided on computer," he said. He said the filing packages check math for the user and will not allow a submission until information has been entered into all necessary fields.

"You can't claim an exemption," he explained, without filling out the name, relationship and Social Security number of the person. "It is all checked and verified before you even file."

The programs are menu-driven and route "you through the entire return," said Hargrave. They "pick up errors as

you go," she said.

This type of filing cuts processing time in half, Cressman said. Electronic filers expecting a refund, he said, should have it in about two weeks. Those choosing the direct-deposit option, he said, can expect it in 10 days.

Within 48 hours of submission, he said, filers get an electronic proof of receipt. "It is the only true receipt," he said, emphasizing that even those who send their returns through certified mail do not have this type of proof.

He said he has used two different programs and "found both user friendly."

One of the packages, which he declined to name, was more thorough, he said, asking more questions and prompting him to consider eligibility for a deductible. All packages have had to meet IRS requirements for accuracy, he said.

Hargrave said packages authorized by the IRS have gone "through a series of suitability tests."

She said background checks have been done on the companies offering the service, and measures have been taken to ensure software is used "appropriately" and that information provided is "valid."

Cressman said he is not aware of any downside to electronic filing. However, he said, some taxpayers perceive them. There are "still some traditionalists," Hargrave said, who want to do their returns by hand.

Some taxpayers, Cressman said, are concerned they are more likely to be audited if they file online.

"It really doesn't affect the odds of getting audited," he said.

Others may still be uncomfortable using the computer for calculations, he said, and fearful "about the security of sending electronically."

He emphasized that large numbers of individuals are utilizing this filing option and not having the problems some anticipated.

Sears, AOL form Web partnership

By RACHEL BECK
Of The Associated Press

NEW YORK — In the latest linkup between companies representing the "old" economy and the new, Sears and America Online are forming an alliance to use the Internet to expand their businesses on and off the Web.

For now, the partnership announced yesterday will focus on marketing each company's products and services, but it will also involve creating Web-linked home appliances like refrigerators that remind you when the milk's running low.

"This is a critical step for both companies to serve the growing Internet needs of our combined and growing customer bases," Sears' chief executive and chairman, Arthur Martinez, said in a statement.

The alliance is the latest in a spate of deals between giant Internet companies and retail chains.

Through such alignments, traditional retailers look to gain respected technology partners that can help them build their Internet businesses. Web companies, meantime, gain a valuable new avenue to advertise their sites and expand their customer base to people who are just thinking about going online.

In recent months, Wal-Mart, Circuit City and Blockbuster teamed up with AOL; Best Buy and RadioShack partnered with Microsoft and Kmart joined forces with Yahoo!

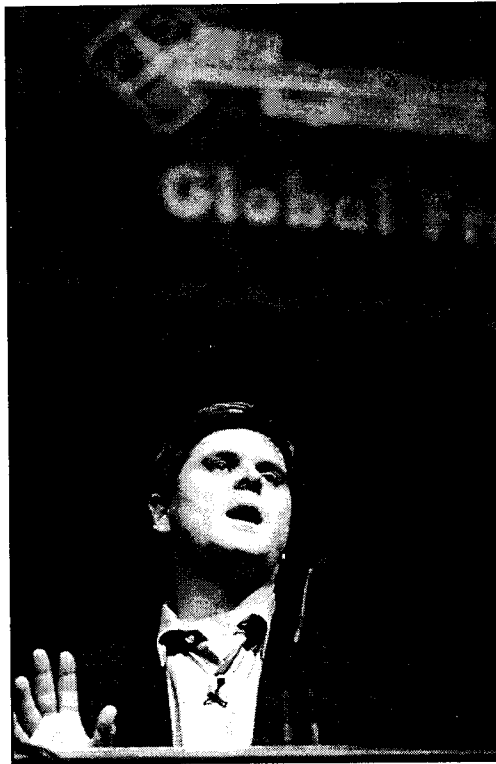
"These deals help both sides gain deep penetration into each other's markets," said Ken Cassar, an analyst at the New York-based Internet research firm Jupiter Communications. "It helps both Sears and AOL reach new customers that they didn't get or know about before."

Sears, Roebuck & Co., the nation's second-biggest retailer behind Wal-Mart Stores Inc., will promote AOL in its 858 large department stores. America Online Inc., in turn, will feature Sears on its Web sites and market the giant retail chain to its more than 21 million subscribers.

AOL will be Sears' preferred Internet service provider. The companies also plan to develop a special co-branded edition of AOL, which will offer special Sears promotions and links to Sears' Web sites. That service is expected to be launched later this year, but a subscription price was not disclosed.

Ironically, Sears used to be a co-owner of Prodigy Services Co., an AOL rival that IBM and Sears sold in 1996 to a group of investors.

The Sears-AOL alliance will include the development



American Online chairman Steve Case addresses the 2000 Global internet Summit in Fairfax, Va., yesterday.

of products for the Internet "connected home."

Sears declined to give specific details of those goods, but did say that the lineup could include kitchen appliances and Web-enabled phones. Such products are expected to hit stores sometime next year.

Sears is also working with Sun Microsystems Inc. and a number of consumer electronics manufacturers — including Whirlpool, GTE and Sony — to develop high-tech products that people can use around their homes.

Besides developing and selling such products, Sears wants to help people install them in their homes. Through the AOL deal, the companies will market and sell high-speed broadband access, which sends data over cable lines and provides connection speeds dozens of times faster than today's dial-up telephone modems.

Cyberticker

■ SunGard Business Continuity and Internet Services, an operating group of SunGard, yesterday announced the formation of SunGard eSourcing.

The unit will specialize in providing a higher level of Internet services and infrastructure than is typically offered by co-location providers.

"Companies of all types and sizes are entering the e-commerce fray, but they all share a common objective — to remain focused on the task of doing business," said Cristobal Conde, SunGard's president and chief operating officer. "This new business is a logical step forward."

SunGard is a specializes in integrated IT solutions and eProcessing for financial services.

■ A new Web site aims to change the way America — and perhaps the world — buys magazines.

MegaMags.com went online on Sept. 1, selling single issues of magazines from throughout the United States and several foreign countries.

The site now has more than 8,000 titles and expects to have 10,000 titles — 30,000 if you count back issues — by early fall.

That will include about 1,200 foreign titles.

MegaMags' main competition is magsnow.com, which stocks about 8,000 issues of 2,500 titles. Booksamillion.com says it carries about 2,500 titles.

■ The Justice Department has created a cybercrime Web site that describes what computer crime is and how to report it, the department's latest thinking on priv; vs. policing on the Internet and even how the government searches and seizes computers.

The Internet site was developed by the criminal division's computer crime and intellectual property section even as the department and the FBI engaged in a difficult search for hackers who temporarily shut down more than a dozen popular e-commerce sites — and the FBI's own Web page — in February.

"WWW.CYBERCRIME.GOV provides information that can be useful from the classroom to the courtroom ... (to) children, parents and teachers; lawyers, law enforcement and the media." Assistant Attorney General James K. Robinson said.

■ Ourtools.com Inc., a Web site which hopes to become the central online information source for people with physical limitations, has officially launched its site, the company said.

The site touts itself as the first Internet resource for caregivers of people with physical limitations, including an online store and catalogue with a variety of products.

There are an estimated 54 million people in the United States with disabilities.