2026 EVALUATION

Tax filing platform

A decision framework for legacy engines, AI Prep layers, and agent platforms.

instead

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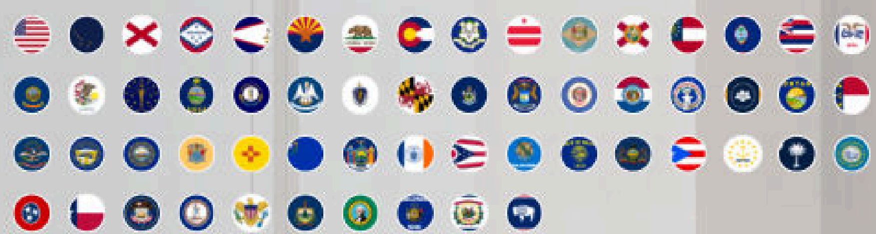
66 United States government approved

APPROVAL FOOTPRINT



Authorized IRS e-file Provider

ENTITIES SUPPORTED

Individuals	Partnerships	C Corporation	S Corporation	Trusts & Estates
1040	1065	1120	1120-S	1041
Personal income tax	Partnership income tax	Corporate income tax	Pass-through corporate income tax	Fiduciary income tax

Tax firms are evaluating systems, not another AI feature

They are deciding which system will own the return path.

Legacy tax engines still matter because they hold the forms, diagnostics, print, and e-file paths firms depend on. AI prep tools, data extraction products, and general agents can reduce pieces of the work, but most still hand the return back to CCH, GoSystem, UltraTax, Lacerte, ProConnect, or Drake.

That leaves the firm supervising two systems instead of one.

The strategic question is simple: does the product assist the old engine, or does it replace the operating model?

The business case is not another AI tool. It is fewer prep and review surfaces, less reconciliation, fewer seasonal bottlenecks, and more partner time spent on judgment instead of supervision.

Instead is positioned as the first AI-native tax filing engine: the agent, workpapers, diagnostics, reviewer evidence, signer control, e-file, print, and client delivery live in one governed return path.

The firm trains the process. The agent operates the return. The signer keeps control.

A credible switch does not require betting the season. It should start with a governed pilot lane, such as 1065 extension-season production returns for one office or client segment.

Before a firm expands, it should align on pricing, pilot timing, and how existing legacy contracts are handled. Those questions belong in the evaluation, not after the demo.

> Any AI-powered tax software has to prove real production flow: prior-year data movement, no double entry, reviewer evidence, signer control, filing, client delivery, and enterprise diligence.

The stack got bigger, but the bottleneck never moved

Top firms have spent a decade adding layers to the tax stack. Portals, scan tools, OCR, workpaper systems, review tools, offshore capacity, and now AI agents. Each layer promised to remove effort. Yet the return still has to be prepared, reviewed, diagnosed, signed, and filed inside a tax filing engine.

The evaluation question is simple: which system owns the return path, and which tools only sit beside it? This paper gives leaders a fast way to tell an engine from a layer, then shows how a governed pilot can prove the switch without betting the season.

THE MARKET IN FOUR CATEGORIES

CATEGORY	WHO IT INCLUDES	WHAT IT HAS	WHERE IT STOPS
Legacy tax engines	CCH, GoSystem, UltraTax, Lacerte, ProConnect, Drake Tax	Form approvals, established e-file paths, decades of firm familiarity	People still operate every return on decades-old architecture
Agents for the firm	Basis, Accrual, Accordance, Combinely	Flexible AI that drafts, summarizes, and assists	The return still gets prepared and filed inside the legacy engine
Data transformation pipelines	Black Ore, Filed, Juno, HubSync	Fast extraction, workpapers, and first-pass review support	Accuracy without judgment, and output still lands in the old engine
Instead	Tax-native agent platform with government-approved filing	Agentic prep, review, signer control, and native e-file	**Carries the return from source documents through filing**

EXECUTIVE ECONOMICS

Business case

This is not another AI tool. It is fewer layers to supervise.

Fewer prep surfaces | Less reconciliation | More partner judgment

IN THIS PAPER

Every firm size has its engine; every engine still needs people

Legacy tax engines earned their position. They hold the form approvals, the e-file paths, and decades of firm trust, and each segment of the market has standardized on its own. The evaluation question is not whether these products work. It is whether a human-operated engine is still the right operating model.

Large firms

National and Top 100 firms

CCH Axcess / ProSystem fx

FORMS Full federal, state, and local library with e-file. The Top 100 standard.

AI None inside the engine. AI arrives as separate add-on modules.

GoSystem Tax RS

FORMS Enterprise coverage and e-file for the most complex federal and state work.

AI None inside the engine. People operate every screen.

Mid-market firms

Regional firms that take tax seriously

UltraTax CS

FORMS Major federal returns plus 200+ state and local returns, with e-file.

AI None inside the engine. CoCounsel and SafeSend sit beside it.

Lacerte

FORMS Full professional library with e-file, built for complex returns.

AI None inside the engine. Preparers operate the desktop workflow.

Small firms

Independent and local practices

ProConnect Tax

5,700+ forms and e-file

No AI inside the engine

ProSeries

Forms-based entry and e-file

No AI inside the engine

Drake Tax

Full forms library and e-file

No AI inside the engine

ATX

6,000+ forms and e-file

No AI inside the engine

TaxWise

Federal and state e-file

No AI inside the engine

TaxAct Professional

Bundled forms and e-file

No AI inside the engine

> ## The forms are there; the AI is not
>
> Staff operate the forms. Seniors clear diagnostics. Managers review. Partners sign. The software records the work, but people perform it, on architecture that survived the internet, the cloud, and mobile. The next shift changes who operates the engine.

An agent for the firm is not an engine for the firm

Bolt-ons come in two types. The first is the agent for the firm, venture-backed startups following the Harvey and Legora playbook from legal. The second, the data transformation pipeline, is on the next page.

Most were not built by accountants; none were built to file

They draft, summarize, and assist. Then the return lands back in CCH Axcess, UltraTax, Lacerte, or Drake Tax, and the firm supervises two systems instead of one.

Basis

AI — An agentic staff accountant for bookkeeping, client accounting, and tax-adjacent workpapers.

FILING — None of its own. The output still lands in the firm's existing tax engine.

Accrual

AI — AI-enhanced preparation, intelligent review, and firm implementation playbooks.

FILING — None of its own. It improves the workflow around the engine the firm already runs.

Accordance

AI — General AI agents built for accounting firm workflows and engagement work.

FILING — None of its own. The firm's tax stack stays exactly where it was before the agent.

Combinely

AI — AI agents aimed at running accounting firm operations and client engagements.

FILING — None of its own. Returns still run through the legacy software it sits on top of.

Building your own general agent puts you in the same category

Some firms skip the vendor and build the same thing internally with general LLM agents. Claude-style skills, browser agents, RPA bots, and scripts wired to offshore teams. They prototype fast and demo well, and they are still general agents. No tax schema authority, no filing path, review evidence scattered across prompts and screenshots, and automation that breaks whenever the legacy software changes.

> ## The AI is there; the approvals are not
>
> None of these products hold government filing approvals. No IRS e-file authorization, no state approvals, no print approvals. And none of them carry the tax judgment a return actually needs, the diagnostics, validations, and reviewer controls built into a real engine. That is the moat this category has not crossed. It is why every one of them ends at the door of a legacy engine.

The accuracy arms race answers the wrong question

The second type of bolt-on is the data transformation pipeline. These products ingest source documents, extract the data, build workpapers, and push a first pass into the firm's tax software. Walk a trade show floor and the pitch escalates booth by booth. 99% accurate. 99.9%. 99.99%.

Tax is judgment, not extraction

Government studies have made this point for decades. When TIGTA tested paid preparers, returns built from identical facts came back with significant errors. When GAO tested chain preparers, nearly every test return contained mistakes, several of them serious. Same facts, different judgment, different returns. A better OCR percentage does not fix that. A firm's own process does.

Black Ore

EXTRACTS	1040 automation plus K-1 and K-3 extraction. 1041 and 1065 named as expansion areas.
INTEGRATES	ATX, CCH Axcess, ProSystem fx, Drake Tax, GoSystem, Lacerte, ProConnect, ProSeries, UltraTax.
FILING	None of its own.

Filed

EXTRACTS	Individual return documents into prep and review workpapers. No published business return list.
INTEGRATES	CCH Axcess, ProConnect, Drake Tax, UltraTax.
FILING	None of its own.

Juno

EXTRACTS	1040s plus business returns, including 1120, 1120S, and 1065, from source docs to workpapers.
INTEGRATES	Drake Tax, Lacerte, ProConnect, CCH Axcess.
FILING	None of its own.

HubSync

EXTRACTS	K-1 data, organizers, and e-sign inside engagement workflow, more than return extraction.
INTEGRATES	The firm's existing tax stack, including CCH Axcess and GoSystem.
FILING	None of its own.

The extraction is there; the judgment is not

A pipeline hands the firm an output, not a process. Review controls, diagnostics, and the firm's own judgment matter more than a decimal of extraction accuracy. Firms that win with AI will train it on their own process, not someone else's black box.

Both types of bolt-on tell you to keep the old engine

Every bolt-on, agent or pipeline, ends with the same advice. Keep CCH Axcess. Keep UltraTax. Keep the software your firm adopted in the 1990s and let the new tool sit on top. That is not an AI strategy. It is two systems to run, with your AI budget anchored to your oldest asset.

Sources: TIGTA Audit Report 2008-40-171; GAO-06-563T, Paid Tax Return Preparers.

The agent is not beside the engine; the agent is the engine

Instead is built around the tax engine itself. The agent is not an assistant outside the system. It is part of the system that reads source documents, creates workpapers, populates the return, resolves diagnostics, routes review, and carries the return to filing. Two harnesses make that possible: one for the agent, one for the tax work.

Instead is the first AI-native tax filing engine

The agent harness

WORK	Reads source documents, drafts workpapers, populates the return, resolves diagnostics.
TRAINING	Adapts to the firm's own process. Workflows the firm owns, refines, and reuses season after season.
EVIDENCE	Every step preserved in the file: what the agent did, what the reviewer saw, what changed.
CONTROL	Humans stay in charge. Reviewers see the evidence, and the signer holds the e-file gate.

The tax prep harness

FORMS	Native coverage across 1040, 1041, 1065, 1120, and 1120S for TY25, built on Instead's own tax schema.
ROADMAP	TY26 expansion targets additional entity areas, including 706, 709, 990, 5500, and 2290.
APPROVALS	Approved by 140 U.S. governments as of April 2026, including IRS approval to e-file.
FILING	Its own. E-file and print from the same system that prepared the return.

One path, one system

Other products stop somewhere in the return workflow. Instead carries the return end to end: the agent operates the system, and the firm applies the tax judgment.

1040 return workflow FULL PATH

RETURN PATH

Source docs · Workpapers · Return population · Diagnostics · Review · Signer approval · E-file + print · Client delivery

- Agent prepares the return inside the tax engine — complete
- Reviewer sees evidence, diagnostics, and changes — ready
- **Signer controls e-file from the same system** — waiting

Only Instead can carry the full return path

Legacy engines have forms. AI bolt-ons have assistance. Integration tools move data. Instead is the one system where the tax engine and the agent operate together, so the firm supervises one process instead of stitching multiple products together.

Change the engine without betting the season

Top firms do not switch tax systems in a single leap. They start with a narrow, governed lane that is real enough to prove the model.

For Instead, that lane can be 1065 extension-season production returns: one office, real clients, and a signer who keeps control through filing.

THE MIGRATION IDEA

Start narrow; prove the full path; expand deliberately

01 ### Choose a real production lane

1065 extension-season returns are narrow enough to govern and meaningful enough to matter.

02 ### Keep the work inside one return path

Prior-year data, source documents, workpapers, review evidence, signer approval, filing, and delivery stay in Instead.

03 ### Expand only after the lane holds

The pattern scales by office, entity type, jurisdiction, and client segment after the firm sees control in production.

The test is not whether the demo looks good

The test is whether a production return can move from prior-year data and source documents through review, signer approval, filing, and delivery without sending the team back to the legacy engine.

What the pilot has to prove

The pilot is not a feature checklist. It is a buyer confidence test for partners, reviewers, operators, and the CIO.

The firm needs to see that the new engine can carry real work, preserve control, and clear enterprise diligence before the rollout expands.

01

Production work moves through the lane

Real returns, real source documents, real review, and real filing. Not a demo path.

02

The team avoids double entry

Work does not have to be re-keyed into CCH, GoSystem, or a sidecar tool.

03

Partners keep judgment and control

Review evidence is traceable, signer approval is explicit, and filing stays gated.

CIO DILIGENCE

The control questions are part of the switch

SSO. SOC 2 + DPA. Permissioning. Audit logs. Data retention. Integrations.

PILOT FAQ

Cost

Scope the pilot before pricing it: volume, users, entities, integrations, support, and success criteria.

Timeline

Plan in weeks: select the lane, import data, configure workflow, train users, run production returns.

Legacy contracts

Expect overlap during the pilot, then retire duplicate layers as renewal timing allows.

If those proofs hold, rollout becomes a sequencing decision

The firm can expand by office, entity type, jurisdiction, and client segment without asking the organization to bet the season.

The next tax stack is smaller; the engine does more

The market does not need another tax helper. Legacy engines already have forms breadth. AI prep tools already reduce manual work. General agents already automate tasks beside the old system.

The decision is whether the firm keeps adding layers, or moves tax work into a system where the agent, the review evidence, the signer control, and the filing path are all part of the same engine.

The question is not which tool assists the work; the question is which system owns it

THE BUYER DECISION

A firm can keep supervising multiple layers, or consolidate the return path

Every category can help. Only a tax-native engine can move the operating model from people running software to agents operating inside a governed filing system.

	ADDED LAYERS	TAX-NATIVE ENGINE
Return data	Converts return data for another system	**Keeps return data inside the engine the agent uses**
Evidence	Spreads proof across prompts, exports, and sidecars	**Keeps reviewer evidence in the return path**
Control	Hands the signer back to the legacy system	**Keeps signer approval and filing in one workflow**

INSTEAD RETURN PATH

FULL PATH

One governed system from source documents to client delivery

Source docs	Workpapers	Return population	Diagnostics
Review evidence	Signer approval	E-file + print	Client delivery

The future belongs to the tax engine with the agent built in

Instead is not a prep layer, a browser workaround, or a copilot beside the workflow. It is the first AI-native tax filing engine: a tax-native system where the firm trains the process, the agent operates the return, and the signer keeps control through filing.