

Filed and Crimson Tree Software Launch Open Tax Technology Alliance

The Alliance releases OpenTax, a free open-source federal 1040 engine, and Open Tax Document, an open K-1/K-3 data standard.

ARLINGTON, VA, UNITED STATES, September 29, 2026 / EINPresswire.com/ -- [Filed](#) and [Crimson Tree Software](#) today founded the Open Tax Technology Alliance, releasing a free open-source federal 1040 calculation engine and an open standard for Schedule K-1 and K-3 data.

The engine, called OpenTax, ships as a single binary that runs on macOS, Linux and Windows with no account and no cloud dependency. It covers

Form 1040 for tax year 2025 across 186 registered nodes and 131 input types, including W-2s, the 1099 series, K-1s and Schedules A, C and E. It checks returns against the IRS MeF business rule set and exports Modernized e-File XML. The source, the tests, and the benchmark suite are public at github.com/filedcom/opentax.

Open Tax Document is a free, open standard for exchanging structured data relating to Form 1065 Schedules K-1 and K-3, along with their associated footnotes and forms, published as a public draft at github.com/opentaxdocument/otd-spec. It is readable and implementable by anyone, with no license to acquire. The OTD repository includes a complete K-1 taxonomy, extensible draft taxonomies for the K-3 and common K-1 footnotes, transmission formats, agentic PDF extraction utilities, document verification tools, and other software. All of it is designed explicitly for use with modern agentic AI.

Federal tax calculation has been closed software since the 1990s, sold on annual licenses by a small number of vendors. The Alliance's position is that the arithmetic is no longer the hard part



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of tax work, and that keeping it proprietary now holds back everyone building on top of it.

“The core calculation is a solved problem. The incumbents solved it decades ago and have been charging a premium for it ever since,” said Leroy Kerry, Chief Executive Officer of Filed. “Giving it away costs us nothing we should have been charging for. A firm can run this on its own hardware tonight and re-check the 1040s it filed this season, and no client data leaves the building to do it.”

Crimson Tree Software, which builds partnership tax automation for public accounting firms and asset managers, joins as co-founding member and will co-develop both initiatives.

“Partnership tax allocations are computed in minute detail using systems like TIERS, then delivered to investors in PDF and paper formats; millions of K-1s, K-3s, 8865s, 926s, state schedules and other footnotes, all in formats designed for printing instead of information exchange. Investors and their accountants must then extract and reconstruct all of it by hand. Today it is a gigantic and unbounded problem. Industry adoption of a free and open standard can solve this once and for all,” said Tom O’Sullivan, Founder and Chief Engineer at Crimson Tree Software.

OpenTax’s application to the IRS Modernized e-File system is pending. On acceptance, the Alliance intends to operate it as a free e-filing route open to individuals, firms, developers and AI agents. Both founders have committed that neither initiative will be monetized. The engine is dual-licensed under AGPL v3, with a commercial license available for organizations whose policies prohibit AGPL.

The Alliance is open to any firm, developer or individual. Contributors can extend the K-1, K-3, and footnote standards, or build additional IRS forms into the engine. Firms intending to build an MeF transmitter on the codebase should contact Filed for written authorization first. Details are at opentax.filed.com.

About Filed

Filed builds AI that works inside a tax firm’s existing software. It reads the same source documents a preparer reads, including W-2s, 1099s, K-1s and prior-year returns, then prepares and reviews returns, flagging errors and missed opportunities. Filed supports 1040, 1041, 1065, 1120, 1120-S and 990 returns and works with CCH Axcess, UltraTax, Lacerte, Drake and ProConnect. On TaxCalcBench, the open benchmark built by Column Tax, Filed reported 94% line-by-line accuracy and 72.5% on complete returns, with the methodology published alongside. Filed is SOC 2 Type I and II and SOC 3 compliant. filed.com

About Crimson Tree Software

Crimson Tree Software builds partnership tax automation for public accounting firms and asset managers, covering federal, state, and international tax reporting for complex partnerships and tiered structures. Over the past 25 years, systems built by Crimson Tree have been relied on by

the largest public accounting firms and most complex private equity, hedge, and real estate investment funds. Its TIERS system is a new compliance platform that combines proven, deterministic tax calculations with Second Wind, an agentic AI operator that eliminates drudgery, explains results, teaches, and watches your back. The company operates from Washington D.C., Boston, and Dallas. crimsontreesoftware.com

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