



Engagement Agreement – Tax Return for Tax Year 2022

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|---|--|
| <input type="checkbox"/> 1040 – Personal tax | <input type="checkbox"/> 1041 – Trust or Estate Income |
| <input type="checkbox"/> 1065 – Partnership | <input type="checkbox"/> 1120 – C Corp |
| <input type="checkbox"/> 1120S – S Corp | <input type="checkbox"/> State Return(s) – list, if any _____ |

1. You have hired us to assist with the preparation of your year **2022 Federal income tax return** (and any specific state income tax returns as noted). This letter confirms the services you have asked us to perform and the terms under which we have agreed to do that work. **Please read this letter carefully!** It is important to both of us that you understand what you can and cannot expect from our work. We will supply you with one copy of your return (PDF if filed remotely, paper if filed in person). **If you lose your copy there will be a \$25 charge to print up another, or we can provide you with a PDF copy at no charge.**

2. **This agreement covers only the preparation of your income tax return.** We are not hired to help you respond to IRS letters or to represent you in an audit of this return or for the collection of any tax that might be due. If you wish a representation before any of the tax agencies, a separate agreement will be prepared, and a separate fee will be quoted. It also does not cover filing of FinCEN Form 114 which must be filed separately from this return with the US Treasury. The return we prepare is provided only for you and is specific to you.

Tax Preparer Responsibilities

3. As your tax preparer, we will prepare the return using information you supply and applying the tax law to the best of our ability. It is not our responsibility to verify your deductions or exemptions or audit your tax return. **It is your responsibility to provide all the information required for the preparation of a complete and accurate return.** We will rely, without further verification, upon information you provide to us from 3rd parties including, but not limited to, K1's, 1099's, 1098's, and receipts and similar items unless you bring to our attention inaccuracies in those documents.

4. We will return all your original documents to you when we have completed your tax return. *When records are returned to you, it is your responsibility to retain and protect your records for three years for potential future use, including examination by any government or regulatory agencies.*

5. Both you as the taxpayer and we as the preparer may be penalized for infractions of the tax code.

As tax preparers, we have **ever increasing requirements for due diligence**, particularly for verifying documents required for tax credits (education credit, child credit, earned income credit) and Head of Household status. If you claim a child or other dependent, then be prepared to document that you fulfil the requirements. In addition, **we are required to obtain proof of identity** from you and any other person(s) on your tax return. To verify identity, **we are asked to see your driver's license** or other state-issued photo ID. We will be entering these numbers into your tax return.

Taxpayer Responsibilities

6. **You agree that you have reported all 2022 income you received** including barter, digital assets, consumer-to-consumer activity, cash-based revenues and all other income whether received in-person, in-kind, or electronically. **You agree that you have reported all income from foreign sources** so that we can determine if it is or if it is not taxable in the US.

7. You agree that you have provided us with all requested documents. **In addition, you agree to answer all our questions fully and promptly so that we can properly and efficiently prepare your return.** Your completed and signed tax checklist is an important part of your documentation and an aid to including all relevant information in your tax return. *It may also point out tax savings that you are not aware of.*

8. If you are claiming a deduction for automobile, travel, cell phone or other business expenses, you need to have **written records to substantiate these deductions.** *Should you be audited, the tax agency will require you to support your deductions with receipts, bank information, mileage logs, and other data that form the basis of your income and expenses.* We are not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties, and interest.

Privacy and Information Security

9. **From time to time various third parties may request that we sign, for you, some verification of income, employment, or tax filing status.** We are prohibited from providing any third party with a copy of your tax return or verification of income, employment, or tax filing status without first obtaining from you the proper information disclosure form, including your signature. *The time we spend on this and other consulting will be billed at our usual billing rates.* We do provide you with a copy of your return upon filing.

10. Protecting your privacy and reducing the risk of identity theft is becoming more and more difficult every year. **We will not accept any private or sensitive information by unprotected email.** This includes any tax document such as W-2's, brokerage statements, and the like as well as any document with your social security number or name and address. We provide a **secure online portal for exchange of information** between you and us. If you want to send us some information and we have not yet set up the portal for you, please let us know and we will do so. **You give us permission to use third-party software** with your information where it will make our performance more efficient or accurate in the preparation of your tax return. Any such software vendors will be held to the same security standards as we follow.

Other

11. **We do not automatically file tax extensions for clients.** We must have your notification and agreement directly from you before we can file an extension. If you are waiting for third-party documentation required to complete and file your return let us know and we will discuss your options. *Failure to pay any tax due with the extension may make you subject to various penalties and interest.*

12. Notwithstanding anything contained herein, both we and client agree that regardless of where the client is domiciled and regardless of where this Agreement is physically signed, this Agreement shall have been deemed to have been entered into at our office located in King County, Washington, USA, and shall be the exclusive jurisdiction for resolving disputes related to this Agreement. This Agreement shall be interpreted and governed in accordance with the Laws of Washington State.

13. **We are available throughout the** year to answer questions on specific tax matters and consult with you on income tax planning, accounting issues and IRS problem resolution. We are not lawyers, financial, or investment advisors. Likewise, your lawyer and financial and investment advisors may well not be tax professionals. **We will be happy to consult with you and your other advisors** on the tax consequences of your decisions.

14. The **fees for tax services** will be based on the time that we and our staff need to spend on the tax return, books, or gathering the information to do the return. The time we spend will be billed will be at the usual hourly rates (Carol: \$215.00 per hour, Roger: \$195.00 per hour). Such work as can be completed by assistants or automation will be billed at a significantly lower rate. Included in your bill will be a \$80 IT fee to cover our ever-increasing security and other IT and software costs. Our minimum fee for preparing a tax return is \$375.

15. **Payment is due upon receipt of the tax return, prior to filing the tax return.** If you do not pay the fee or your check is returned for insufficient funds and we must take collection action to collect fees, any and all costs of collection, including attorney fees that we incur, will be added to the final amount to be collected.

16. We appreciate the opportunity to serve you. Please date and sign this letter to acknowledge your agreement with and acceptance of your responsibilities and the terms of this engagement.

We (I) have read and agree to the terms of this engagement agreement.

_____ dated ___/___/___ _____ dated ___/___/___

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