2020 TAX RETURN PREPARATION ENGAGEMENT LETTER & TAX WORKSHEET

50 Oliver Street, Suite 215; N. Easton, MA 02356 Tel: 508-230-8756 Fax: 888-405-8433 Web: www.ACT-CPA.com

We are pleased to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide regarding the preparation of your income tax returns. We will prepare your 2020 federal and state income tax returns from information, which you will furnish to us. We will not audit or otherwise verify the data you submit, although we may ask for clarification of some of the information. Upon request, we can furnish you with questionnaires, worksheets, or booklets, to guide you in gathering the required information for us.

We will prepare the returns from information which you will furnish to us. It is your responsibility to provide all the information required for the preparation of complete and accurate returns. **You have the final responsibility for your income tax returns therefore you should review them carefully before you sign them**.

All returns filed are subject to review by taxing authorities. In the event of such government tax examinations, we will be available to represent or assist you, upon your request. Our firm is responsible only for the tax returns that it has prepared. The fee does not include responding to the IRS or state inquiries or tax estimates for the following year. Our firm is not responsible for IRS (or state) disallowance of doubtful deductions or deductions unsupported by adequate documentation and the resulting taxes, penalties, and interest.

Our fee for these services will be based upon an estimated tax preparation fee for your type of return and is subject to change based on work performed. **Payment for services is due when you submit your information to our office or the work will not be started.** Your standard fee is based upon e-filing your tax return and additional fees will apply to returns that are to be mailed to the government agencies. If your return takes longer than the standard time preparation, you will be billed based on the additional time spent on your return and notification of additional fees will be made in advance of the work when possible. If your return includes certain tax credit forms, you may be billed additional fees. Billing rates in our office are between $75 to $250 per hour depending on services and expertise provided. Any unpaid invoice which remains unpaid for more than thirty days will follow our collection policy. We reserve the right to suspend work in the event that invoices for previous services including interim bills for current services are unpaid.

The timeliness of your cooperation is essential to our ability to complete this engagement. Specifically, we must receive sufficient information from which to prepare your returns within a reasonable period of time prior to the applicable filing deadline. Accordingly, if we do not receive this information from you, as noted above, by **March 12, 2021**, it may be necessary to pursue extensions of the due date of your returns, and we reserve the right to suspend our services or withdraw from this engagement. Various penalties and interest are imposed when taxpayers fail to pay the full amount of taxes owed by the filing due date. Furthermore, additional penalties and interest are imposed when taxpayers fail to remit the proper amount of subsequent year tax estimates. Based on information you have provided to us, we can assist you in determining the correct amount of taxes owed for the current year and subsequent year tax estimates. You acknowledge that any such penalties and interest that arise due to the underestimation of current year taxes owed or subsequent year tax estimates remitted are your responsibility, and that we have no responsibility in that regard. If you would like information on the amounts or the circumstances of these penalties and interest, please contact us.

We may encounter instances where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. In those instances, we will outline in a written communication each of the reasonable alternative courses of action, including the risks and consequences of each such alternative. In the end, we will adopt, on your behalf, the alternative that you select after having considered the information provided by us. Pursuant to standards prescribed in IRS Circular 230 and IRC 6694, we are forbidden from signing a tax return unless we have a reasonable belief that there is substantial authority for a tax position taken on the return, or unless we have a reasonable belief that there is a reasonable basis for the tax position taken on the return and we disclose this tax position on a separate attachment to the tax return. Substantial authority is generally viewed by tax professionals as requiring at least a 40% probability that the tax position taken will be sustained on its merits. However, under no circumstances may we sign a tax return with a tax position that has no reasonable basis.

If a dispute arises out of or relates to this contract or engagement letter, or the obligations of the parties therein, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules before resorting to arbitration, litigation, or some other dispute resolution procedure.

We take our responsibility to protect the privacy and confidentiality of customer information very seriously. We will not provide financial information to anyone about you with the following exceptions: Federal & State Taxing Authorities and your spouse (unless notified).

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NOTE: FAILURE TO ANSWER WILL BE TREATED AS A "NO" AND AS ZERO AMOUNTS FOR 2020.

DEADLINE for tax information is **3/12/21** or you could be put on extension.

Name:____**Occupation:____________________DOB___/___/___

Spouse:______________________________________**Occupation:____________________DOB___/___/___

1. **NEW CLIENTS ONLY: Please provide us a copy of last year tax return and everyone's date of birth.**
   1.1. Did you lose your spouse in 2018 or 2019? YES OR NO (If yes, you will file as a qualified widower)
2. **Preferred Communication (check one): Phone ___Email____Text____ Ph#/Email:______________________________**
3. **Personal Information changes from last year. No Changes then check here ______ If uncertain please provide:**
   3.1. Can someone else claim you or your spouse as a dependent? YES OR NO
   3.2. NEW dependents born or added in this tax year (Names, ss# and DOB):____________________________________
   3.3. REMOVE dependents due to over 24 years old or not in college or another reason___________________________
   3.4. NEW Email(s): ______________________________OR NEW Phone# ________________________
   3.5. NEWAddress:____
4. **Please mark your tax preparation process method:**
   4.1. Choose one: Sign in office ____ or Sign via email _____ or Sign via I-Firm Portal ____
   4.2. Choose one: Pickup completed return in office ______ or mail tax return and originals via first class mail ____
5. **How are you paying your tax fee? Check payable to "ACT CPA"___ or New E-Pay Form ___ Or Existing E-Pay Form ____**
6. **Where do you want your direct deposit of your tax refund to go or direct debit of your tax owed from: (provide void check)**
   6.1. ___For a Refund use bank account (last 4) __/__/__/__/ or __ Mail check to you.
   6.2. ___For a Tax Owed use bank account (last 4) __/__/__/__/ or __ Pay online at IRS.gov or State DOR
7. **Check if you have any of the following tax information and/or schedules:**
   7.1. ___Sch C – Business Info 7.4 ___K-1 from Partnership/S-Corp 7.7____Brokerage Statements
   7.2. ___Sch E – Rental Info 7.5___Qual. Business Income Deduction 7.8____1095-A Health Ins. Mktplace Stm
   7.3. ___8829 – Office in the home 7.6___Sch A - Itemized Deductions 7.9_____________________
8. **Check if you have any of the following events:**
   8.1. ___Tuition Expense. Must enclose 1098T from school.
   8.2. ___Teachers supplies or books or prof. development. How much was spent? ___________________
   8.3. ___Student Loan Interest. Enclosed 1098 E from loan company.
   8.4. ___Child care expenses. Provider's name, address, ID/SS#, and amounts paid for each child.
   8.5. ___Traditional or Roth IRA Contributions. Provide all 5498 Forms or proof of contributions.
   8.6. ___Tax Payments to the IRS or MA DOR. Provide list of date paid and amounts and to whom.
   8.7. ___Alimony Paid or Received. How much, and to/from whom.______________________________________
   8.8. ___Charity donations for up to $300 so provide all donation receipts to get deduction especially if itemizing.
   8.9. ___Didn't receive or received wrong amount for First Economic Payment? Amount Rec'd $_____________
9. **MA Residents – State Tax Return Info**
   9.1. Rent Paid $_______________Fast Lane Expenses: $_____________ and or MBTA commuter passes $______________
   9.2. Do you purchase items on the internet that should have MA Sales Taxes? YES NO If yes, how much do you spend?_______
   9.3. Did you contribute monies to a MA prepaid tuition plan? YES NO If yes, provide statement.
10. **Do you have minimum essential health insurance coverage for all members of your family for the entire year? YES NO**
    10.1 Yes, provide proof with forms 1099-HC. If NO, fill out our worksheet on health insurance. Note: Add'l tax fees may apply.
11. **Miscellaneous Questions about this tax year? * = additional tax preparation fee**
    11.1. Did you receive/sell/send/exchange/otherwise acquire financial any interest in virtual currency? YES NO
    11.2. Did you receive any income not reported on a W2 or 1099? If yes, what?________________ YES NO
    11.3. Do you have any foreign bank accounts? If yes, may need to file additional forms. YES NO
    11.4. Did you receive any letters from the IRS or any state tax agencies? If yes provide letters. YES NO
    11.5. Did you make any gifts to anyone over $15,000? If yes, need to prepare Gift Tax Return.* YES NO
    11.6. Did you sell and or purchase a home– If yes provide the HUD Settlement Statement.* YES NO
    11.7. Did you have any children under 24 with interest or dividends or sold stocks >$2100? YES NO
    11.8. Do you have any gambling winnings? YES NO
    11.9. Do you have a divorce agreement that indicates tax matters? If yes, please provide copy. YES NO
    11.10. Were you issued an IRS IP PIN for an Identity Theft Issue? YES NO
    11.11. Are you missing any tax documents to prepare your return? If yes, we can help. YES NO
12. **Did you have any unusual transactions? ____ YES NO**

Sincerely,

Deborah R Bowman CPA

ACT CPA

To the best of my knowledge, the information that has been submitted to ACT CPA, whether in written or oral form, clearly reflects all income received, and any deductions claimed are supportable by records in my (our) possession and should be used in the preparation of my (our) tax returns. All records and substantiation needed to support this information are available in conformity with Internal Revenue Service Code and Regulation requirements.

Accepted and Agreed to Pages 1& 2:

______________________________ ______________________________ ________________

Taxpayer Signature Spouse Signature Date