***Completely Professional Assistance!! We Make Tax & Accounting Less Taxing!!***

 **2011 TAX RETURN ENGAGEMENT LETTER**

Dear Respected Client:

Name of the Taxpayer:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ SSN/FEIN: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Thank you for choosing HP & Associates, PC to assist you with your 2011 taxes. This letter is to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide**. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom returns are prepared to confirm the following arrangements.**

We will prepare your 2011 federal and requested state income tax returns from information that you will furnish us. We will not audit or otherwise verify the data you submit, although it may be necessary to ask you for clarification of some of the information. We will furnish you with checklist to guide you in gathering the necessary information. Your use of such forms will assist in keeping pertinent information from being overlooked.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You should retain all the original documents, canceled checks and other data that form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign them.

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist. We will render such accounting and bookkeeping assistance as determined to be necessary for preparation of the income tax returns.

We will use professional judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities’ interpretations of the law and other supportable positions. Unless otherwise instructed by you, we will resolve such questions in your favor whenever possible.

The law provides various penalties that may be imposed when taxpayers understate their tax liability. If you would like information on the amount or the circumstances of these penalties, please contact us.

Your returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, we will be available upon request to represent you and will render additional invoices for the time and expenses incurred.

Our fee for these services will be based upon the amount of time required at standard billing rates plus out-of-pocket expenses. All invoices are attached along with the tax return and are due and payable upon presentation.

**By sending us the documents for tax preparation, the client agrees to pay HP & Associates P.C tax preparation fees. Payment is due on submission of prepared tax return for client’s review and approval.**

We accept payments by Cash, credit cards, Checks or Money orders. **We do not provide any quotes & estimates for refund.**

If the foregoing fairly sets forth your understanding, **please sign the letter, as indicated below and return it to our office.**

We want to express our appreciation for this opportunity to work with you. Visit our web site for privacy policy and frequently asked questions and answers.

Your privacy, our professional ethics, and the ability to provide you with quality financial services are very important to us.

If you have any questions or if we can be of any assistance in the interim please let us know.

Very truly yours,

***HP & Associates, P.C.***

Certified Public Accountants

**Credit Card Information (Required for Tax Preparation Fee Payment)**

TAX RETURN PREPARATION WILL NOT BE STARTED WITHOUT THIS INFORMATION

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Type of Card** | **Number** | **Exp. Date** | **CVV****Code** | **Cardholder Name as displayed on the card** | **Billing Address & Phone Number** |
| Visa/Master/Discover |  |  |  |  |  |
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| Accepted By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Signature of the Taxpayer) |
| Date : \_\_\_\_\_\_/\_\_\_\_\_\_\_\_/\_2012**Note: As per AICPA & IRS guidelines, we will not proceed the tax return preparation** **unless the Tax Engagement letter is signed.** |

**Thank you for your patronage. We assure you to provide an Excellent Service.**

**2011 TAX SEASON**

* You may submit your tax documents via email to TAX@HPATELCPA.COM or fax at (248) 626-2800 or mail it at HP & Associates P.C mailing address mentioned on the top of this document.  Local clients can make in person Appointments by calling (248) 626-4200.
* Tax Return Preparation Fee will vary based upon the schedules needed on your return. Therefore, we cannot give you the exact fees until we prepare and review your tax return. Seventy percent of our individual tax client’s tax preparation fee range from $150 to $250. We do not provide quotes or estimates for refund amount.
* Tax Preparation fee will be charged to credit card after completing preparation and review of the tax return. COMPLETE CREDIT CARD INFORMATION MUST BE PROVIDED ALONG WITH THE SUBMISSION OF YOUR TAX DOCUMENTS. TAX RETURN PREPARATION WILL NOT BE STARTED WITHOUT THIS INFORMATION. We accept Visa, Master Card & Discover. For Local clients, Personal checks will be accepted which is preferred payment.
* Please note that you must SUBMIT ALL OF YOUR TAX DOCUMENTS AT ONE TIME. Be sure to make a copy of your original documents before you submit them to our office.  Also, make sure to submit the YEAR END statements and not monthly/quarterly statements.
* Please note that if you have/had any foreign (like India) Assets, Bank Accounts / Rental Properties/ Corporations / Shares / Mutual funds / provident fund accounts/ Interest income / rental income / capital gains / dividends, you are supposed to report them is US tax return and in a separate form.

For more information, please refer FAQ No. 18 to 27.

* Please note that you can’t claim the expenses like marriage, birthdays/functions and sending money to parents/relatives outside USA.
* Your tax return is prepared based on the attached checklist. So, please don’t send us blank or incomplete checklist
* Please refer Frequently Asked Questions Page (FAQ’s) at the end of this checklist for questions regarding tax filing and applying for ITIN.
* If you are a new client, please send us a copy of your 2010 Federal and State Tax Returns.

**PERSONAL TAX PREPARATION CHECK LIST FOR 2011 TAX YEAR**

|  |
| --- |
| **Personal Details*:***  (Names exactly as it appears on the Social Security Card) |
| **SSN / ITINumber** | **First Name** | **Middle Name** | **Last Name** | **Date of Birth****mm/d/yr** | **Occupation/****Relationship** |
| **PRIMARY TAXPAYER** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **SPOUSE** |
|  |  |  |  |  |  |  |  |  |   |  |   |  |  |  |  |  |  |   |
| **DEPENDENTS (KIDS/PARENTS/OTHERS)** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| If Spouse, kids or any dependents does not have SSN or ITIN, then they may be eligible for applying for ITIN. **Please refer attached FAQ’s Point 14 to 17.** |

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| --- | --- | --- |
| **Day time Phone Number** | **Evening Phone Number** | **Cell Phone Number** |
| ( ) | ( ) | ( ) |
| **Personal email (Non Corporate)** |  |  |

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| **PRESENT RESIDENTIAL ADDRESS** |
| **Street Address** | **Apt.** | **City** | **State** | **Zip Code** |
|  |  |  |  |  |
| IF YOU HAVE MOVED FROM DIFFERENT CITY IN 2011, PLEASE PROVIDE THE PREVIOUS ADDRESSES |
|  |  |  |  |  |
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| --- | --- | --- |
| If you are supposed to file a **City tax Return** in any City you worked/resided in 2011, please provide the name of the cities. | Tax Payer | Spouse |
| City Worked | City Resided | City Worked | City Resided |
|  |  |  |  |
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| **Bank Details for Direct Deposits / Payments** |
| **Bank Name** | **Routing Number** | **Account Number** | **Checking/****Savings** |
|  |  |  |  |  |  |  |  |  |  |  |  |

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| **Interest on Student Loan (if any) paid for the year 2011** |
| **Tax Payer** | **Spouse** | **Dependent(s)** |
| $ | $ | $ |

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| **Child Care / Day Care Expenses, if any** |
| **Federal ID number of the Day Care Center /SSN of the Individual Day care person** | **Name of the Day care Center/person** | **Address of the Day care Center/person** | **Amount Paid in 2011** | **Child’s Name** |
|  |  |  |  |  |  |  |  |  |  |  | $ |  |
|  |  |  |  |  |  |  |  |  |  |  | $ |  |
|  |  |  |  |  |  |  |  |  |  |  | $ |  |

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| **Tuition fees paid & Education Expenses, if any.** |
| **Name of Student** | **Name of the Institution** | **Amount Paid** | **Degree/Certification** |
|  |  | $ |  |
|  |  | $ |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Alimony Paid**, if any | **Spouse** | **Amount****Paid** | **Adoption Expenses, if any** |
| **First Name** | **Last Name** | **SSN** |
|  |  |  |  |  |

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| **Employment and other Income Details** |
| No. of **W2**s atta-ched | No. of **1099R**statem-ents attach-ed | No. of**1099-B Div.** statements attach ed | No. of **1099-Int** statements attached | No. of **1099-G** unemployment benefitsState-ments attached | No. of **1099-SSA** SocialSecurity BenefitsState-ments attached | If you have received any 1099-Misc. Income statements, please send us those forms. Also please fill the income and expense details in the below attached excel sheet and email us the soft copy.**(Schedule-C Self Employed Income)** | If you have sold any shares/options, please attach the 1099 received from the broker and fill the sales details in the attached excel sheet and email us the soft copy in the same format without altering any columns**(Schedule-D Capital Gain/loss)** | If you have rented any property and received rental Income and incurred expenses for the rental property, please fill the income and expense details in the attached excel sheet and email us the soft copy. Please attach 1098.**(Schedule-E****Rental Income)** | No. of**K1 forms** attac-hed |
|  |  |  |  |  |  | No. of state ments |  | No. of state ments |  | No. of state ments |  |  |
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| **interest/dividend Income Details (Attach 1099 forms, if any)** |
| Name of the Institution | Dividend Earned | Interest Earned | Federal Tax Withheld | Is it a foreign bank account? | Are you liable to file TD 90-22-1 for 2011?(If your combined balance is more than $10000 at any day in 2011, you have to file this form) | Is it a Foreign Trust? | Name of the Foreign Country |
|  | $ | $ | $ | Yes/No | Yes/No | Yes/No | India |
|  | $ | $ | $ |  |  |  |  |
|  | $ | $ | $ |  |  |  |  |
|  | $ | $ | $ |  |  |  |  |
| IMPORTANT NOTE : PLEASE READ FAQ NO. 18 TO 27 ON FOREIGN BANK ACCOUNTS, INTEREST, RENTAL INCOMES & OTHER ASSETS |

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| **IRA Contributions, if any (You should contribute before APRIL 15, 2012)** |
| **TRADITIONAL IRA** | TAX PAYER - $  | SPOUSE - $ |
| **ROTH IRA** | TAX PAYER - $ | SPOUSE - $  |

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| **RENTAL EXPENSES** (Eligible in few states but has income limitations) |
| Monthly Rent :  | Landlord Name & Address | Period :  |
|  |  |  |

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| **MOVING EXPENSES** (Only if you have moved more than 50 miles in 2011 due to change in job location)  |
| Date of Move | Moved from | Moved to | Moved due to change in job location | Number of miles from OLD residence to NEW workplace | Number of miles from OLD residence to OLD workplace | Amount spent for transportation of Household goods | Amount spent for travel & Lodging during the move | Moving expenses reimbursed by the employer |
|  |  |  | Yes/No |  |  | $ | $ | $ |

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| **IRS deductible Expenses : Schedule-A Itemized Deductions** |
| Health Insurance Premiums Paid | Medical / Dental Expenses (Co-pay, deductibles, medicines) | Personal Property TaxPaid(car) | Car Annual plate renewal fees | Investment Interest | For each contributions more than $250, if IRS audits you needs to provide copy of receipt/check | Job Search Expenses | Last year Tax prepara-tion fees |
| Charitable Contributions - By Check/Cash | Charitable Contributions (Non cash) - Car/Cloth/ Computer/Electronics |
| $ | $ | $ | $ | $ | $ | $ | $ | $ |
| **Residential Property in USA** | **Mortgage on second residential home** | **Did you receive refundable $7500 first time buyers credit for homes purchased between 04/08/08 and 12/31/08** |
| MortgageInterest Paid(Please attach 1098) | Property TaxPaid | Qualified Mortgage Insurance Premium | Name and City of the bank/institution(USA / Foreign country) | MortgageInterest Paid  |
| Yes/No | **Amount Received** |
| $ | $ | $ |  | $ | $ |

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| **Job Related Unreimbursed Expenses** |
| Parking/Toll/Transportation | Travel away from home | Other Business Expenses (Please add any other expense in blank columns) |
| CellPhone | Inter-net | Computer/LaptopComp. Supplies | USCIS ImmigrationFees | AttorneyFees | Continuing Education (Training/Certification) | Workcloth/Uniform | Profess-ional Dues | Safe Dep. Locker rental |
| $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |

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| **Mileage Information** (Mileage can be claimed only for job related miles. Daily travel from home to main/same work place is not eligible.  |
|  | Date purchased/ placed in Service | Total mileage drivenduring 2010 | Job related miles (work to client location) | Daily Commuting miles (home to work & back | Total Commuting miles | Do you or your spouse have another vehicle for personal use | Was your vehicle available for personal use during off duty hours | Do you have evidence to support your deduction | If yes, is this evidence written (mileage log etc) |
| Vehicle 1 |  |  |  |  |  | Yes/No | Yes/No | Yes/No | Yes/No |
| Vehicle 2 |  |  |  |  |  |
| IMPORTANT NOTE: FOR BUSINESS MILES YOU ARE REQUIRED TO MAINTAIN A LOG BOOK IN THE ATTACHED FORMAT. IF IRS AUDITS YOUR TAX RETURN, YOU ARE REQUIRED TO SUBMIT IT. IF YOU ARE CLAIMING MILEGE @ 55 CENTS PER MILE YOU CAN’T CLAIM OTHER VEHICLE MAINTENACE EXPENSES LIKE GAS, REPAIRS, INSURANCE, ETC |  |

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| **Gambling Income / Loss (Gambling Loss should not be more than Gambling Income).** Pleaseattach W2G. |
| Taxpayer | Gambling Income - $  | Gambling Loss - $  |
| Spouse | Gambling Income - $  | Gambling Loss - $ |

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| Did you make any following Energy saving improvements to your home during 2011? If so, please mention amount spent for the following. |
| Energy saving new insulation Material  | Energy saving new Door or Windows | Energy savingnew Heating and Air-conditioning | Energy saving water Heater | Please refer the website for more information |
| $ | $ | $ | $ | <http://www.energystar.gov/index.cfm?c=tax_credits.tx_index> |

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| **Casualty and Theft Loss** |
| Personal or Business property | Description of the property | Location of the property | Date acquired | Cost of the property | Insurance/Otherreimbursement | Fair Market value before Incident | Fair Market value after Incident | Incident Date |
|  |  |  |  | $ | $ | $ | $ |  |

**FREQUENTLY ASKED QUESTIONS ABOUT PROCEDURE FOR FILING TAX RETURN**

1. **What information will be required to prepare my tax return?**

Please download and fill the Individual tax return checklist. Attach your W2 and other relevant documents and send it back to us either by mail, email or fax listed below. PLEASE DO NOT SEND THE ORIGINALS.

1. **How do I send the tax information?**

You can send us the tax information in the following ways:

* 1. Email tax@hpatelcpa.com
	2. Fax 248-626-2800
	3. Mail HP & Associates P.C.

27950 Orchard Lake Road, Suite 110

Farmington Hills, MI 48334

1. **How much is the tax return preparation fee?**

The tax return preparation fee depends on the complexity of your tax return and the number of forms that we have to file for you. Our 70% of the individual tax clients pay between the ranges of $170 to $250. We cannot give you the exact fees until we are finished with the preparation of your tax return.

1. **How can I pay the tax return preparation fee?**

We accept payment in form of Cash, Check, Money Order, Cashier check & Credit card (Visa, Master Card, and Discover only). Tax preparation fee is due when we email you tax return for review before e-filing or mailing the tax return for paper filing.

1. **What happens if the payment for tax return preparation fee is not received within 30 days?**

If the payment is past due for more than 30 days, we will directly take it out from the bank account provided by you in the tax preparation checklist or charge to your credit card.

1. **Whom should I make the check payable to? And where do I send the check?**

Please make the check payable to HP & Associates P.C. Please mail the payment to.

 HP & Associates P.C.

27950 Orchard Lake Road, Suite 110

Farmington Hills, MI 48334.

1. **How long will it take to prepare my tax return?**

The preparation of your tax return usually take anywhere between 3 days to 15 days but can take longer.

1. **Will I get a chance to review the tax return before filing it with the IRS?**

Yes. We will email you a draft copy of your tax return for review. Please carefully review your tax return. In case of any corrections please email them to **sampath@hpatelcpa.com.** If there are no corrections to be made please sign and send (email/fax) us the Form 8879 and Schedule A (if applicable) included in your tax return. The form 8879 signature is required only for those returns which can be electronically filed.

1. **Can I file my tax return electronically?**

Yes. We can file your tax return electronically. The tax return shall be electronically filed on receipt of your approval on Form 8879 and Schedule A (if applicable) included in the draft copy of your tax return. However there are exceptions to it. For exceptions please see below-Tax returns not eligible for electronic filing.

1. **Tax returns NOT eligible for electronic filing includes but not limited to:**
	1. Tax return with ITIN Applications *(applicable in cases where dependent or spouse does not have a social security number or ITIN)*
	2. Tax return on Form 1040NR
	3. Tax returns which have more than 5 stock transactions and a filled-in excel sheet has not been attached with the checklist.
	4. Tax returns for 2010 and prior years
	5. Amended tax returns
2. **What if my tax return is not eligible for electronic filing?**

Your tax return has to be paper filed if it is not eligible for electronic filing. In that event, after reviewing you tax return, please send us a simple email (no form is required) letting us know that you approve the tax return. Send this email to **tax@hpatelcpa.com.** Once we receive your approval we will mail you a tax packet which will include the complete tax return along with the filing instructions and the addressed envelopes. This tax packet shall be mailed at the address on the tax return unless otherwise instructed. You have to sign couple of forms as instructed in the tax packet and send them to the IRS, State and local government in the addressed envelope provide by us in the tax packet. Please mail your tax return by certified mail.

1. **How long should I wait to check the status of my refund? And where can I check the status of my refund?**

We will electronically file your tax return, once we receive your signed Form 8879. Please allow 7 business days for the system to update, if you filed on paper, please allow 4-6 weeks for processing of your return. After 7 business days you can check refund status on our website [**www.hpatelcpa.com**](http://www.hpatelcpa.com) in the **Refund Status** section.

Have a copy of your tax return handy. You will need to provide the following information from your return:

* Your Social Security Number (or Individual Taxpayer Identification Number);
* Filing status (Single, Married Filing Joint Return, Married Filing Separate Return, Head of Household, or Qualifying Widow(er))
* The exact whole dollar amount of your refund
1. **When will I receive my refund?**

For electronic return with direct deposit information - approximately 10-15 days of filing

For electronic return with check to be mailed - approximately 3 weeks of filing

For paper return - approximately 4 weeks of mailing

For amended return refunds - approximately 8-12 weeks of mailing

1. **How long does it take to process the amended tax return?**

It may take 8 to 12 weeks or longer to process the amended tax return. If 8 weeks have elapsed and you have not received your refund on amended tax return, call (800) 829-1040.

1. **What is ITIN? Do I need ITIN for my spouse or dependents?**

ITIN refers to “Individual Tax Identification Number”. An ITIN is required when the spouse or dependents do not have social security number and you have to claim them on your tax return.

1. **Who is Eligible for ITIN? What are the conditions for applying ITIN for the kids & parents?**

#### Spouse (who is not eligible for a SSN) can apply for ITIN even though she/he was a non-resident in 2011.

#### But for kids, they must be present in USA at least 183 days in 2011. If you are applying ITIN for the visiting parents they must pass the substantial presence test for calendar year 2011. To meet this test, one must be physically present in the United States on AT LEAST :

1. 31 days during 2011, AND
2. 183 days during the 3-year period that includes 2011, 2010, and 2009, counting:
	1. All the days present in 2011, and
	2. 1/3 of the days present in 2010, and
	3. 1/6 of the days present in 2009
3. **Do I have to get the ITIN before starting my tax return preparation?**

No. The ITIN application has to go with your return. It cannot be sent separately. You just have to give us the information required to prepare the ITIN application (See Pt. 18) and we will take care of it.

1. **What will I need to apply for the ITIN for my spouse or dependent? What do I have to send you for preparing the ITIN application?**

You will have to take the entire copy of their passport including the cover page and the blank pages. The photo page has to be notarized and this entire set has to be attached to your tax return. In order for us to prepare the ITIN application, we need the photo page, visa page and the I-94 page or the page containing the date of entry into USA. Please do not send the entire copy of passport.

REPORTING FOREIGN BANK ACCOUNTS, RENTAL PROPERTIES, CORPORATIONS AND INCLUDING WORLDWIDE INCOME IN THE US TAX RETURNS UNDER FBAR

1. **What is FBAR?**

Foreign Bank Account Reporting.

1. **Who Must File an FBAR**

United States persons are required to file an FBAR if:

1. The United States person had a financial interest in or signature authority over at least one financial account located outside of the United States; and
2. The aggregate value of all foreign financial accounts exceeded $10,000 ($4,50,000 INR) at any time during the calendar year to be reported.

United States person means United States citizens; United States residents (includes visa holders H1B, H4, L1B, L2, EAD, green card); entities, including but not limited to, corporations, partnerships, or limited liability companies created or organized in the United States or under the laws of the United States; and trusts or estates formed under the laws of the United States.

1. **How to Report and Filing Information**

### A person who holds a foreign financial account may have a reporting obligation even though the account produces no taxable income. The FBAR is not filed with the filer's federal income tax return. The granting, by the IRS, of an extension to file federal income tax returns does not extend the due date for filing an FBAR. You may not request an extension for filing the FBAR. The FBAR must be received by the IRS on or before June 30, 2012 for year 2011 being reported.

Complete form [**Form TD F 90-22.1**](http://www.irs.gov/pub/irs-pdf/f90221.pdf) **which can be found at link** [**http://www.irs.gov/pub/irs-pdf/f90221.pdf**](http://www.irs.gov/pub/irs-pdf/f90221.pdf) and mail the form to:

United States Department of the Treasury
P.O. Box 32621
Detroit, MI 48232-0621.

If an express delivery service is used, file by mailing to:

IRS Enterprise Computing Center
ATTN: CTR Operations Mailroom, 4th Floor
985 Michigan Avenue, Detroit, MI 48226

Delivery messenger service contact telephone number: 313-234-1062

1. **What if I do not report FBAR?**

Account holders who do not comply with the FBAR reporting requirements may be subject to civil penalties, criminal penalties, or both.

### FBAR Assistance

Help in completing [Form TD F 90-22.1](http://www.irs.gov/pub/irs-pdf/f90221.pdf) (PDF) is available at 800-800-2877, option 2. The form is available online at IRS.gov and [Financial Crimes Enforcement Network Web site](http://www.irs.gov/app/scripts/exit.jsp?dest=http%3A%2F%2Fwww.fincen.gov%2F) or by telephone at 800-829-3676. Questions regarding the FBAR can be sent to FBARquestions@irs.gov

REPORTING FOREIGN BANK INTEREST, DIVIDENDS,RENTAL INCOME, CORPORATION INCOME, ETC.

### Do I have to show the Bank Interest & Dividends from a foreign bank account including my home country?

Yes. When you file a resident tax return in USA, you are supposed to report your worldwide income. Whether you are a Citizen/Green Card holder/H1B/L1/EAD status, if you file 1040 resident tax return then you have to report worldwide income.

### What if we already paid taxes on those income in my home country?

Still you have to report that income in your US tax return and claim Foreign Tax Credit for the taxes paid in a foreign country.

### Do I need to report my rental income from a foreign/home country?

Rental Income from a foreign/home country should also be included in your US tax return. The rental Income will be calculated in the same manner for US rental income except a different depreciation rate. If you already paid Income Taxes for the rental income, you’ll get a Foreign Tax Credit.

FORM 8938 REPORTING FOREIGN ASSETS UNDER FATCA RULES.

### Do I have to report my foreign/home country assets like House, Bank Accounts, Corporations in my 2011 US tax return?

If you are unmarried taxpayer filing a resident tax return Form 1040 and if the total value of your foreign assets is more than $50,000 on the last day of the tax year or more than $100,000 at anytime during 2011, then you are supposed to file form 8938 along with your Tax Return.

If you are married taxpayer filing a Joint resident tax return Form 1040 and if the total value of your foreign assets is more than $100,000 on the last day of the tax year or more than $200,000 at anytime during 2011, then you are supposed to file form 8938 along with your Tax Return.

If you are a Citizen or green card holder and resided abroad for more than 330 days during any period of 12 consecutive months in 2011, and filing a resident tax return Form 1040 and if you are not filing joint return, the total value of your foreign assets is more than $200,000 on the last day of the tax year or more than $400,000 at anytime during 2011, and those filing joint total value of your foreign assets is more than $400,000 on the last day of the tax year or more than $600,000 at anytime during 2011, then you are supposed to file form 8938 along with your Tax Return.

1. **What to do when I receive IRS or State Notice?**

Please fax us your notice as soon as you received at 248-626-2800 or e-mail it to us at **tax@hpatelcpa.com****.** We preferred that you send your contact number and e-mail address with the notice. We will review your notice within **3 to 5 business days**. Notice reply would be considered as a separate engagement and the charges will depend upon subject matter of the notice and the time it takes to reply. We will need your direct debit authorization form before we start replying your notice.

1. **Record keeping for IRS.**

You should maintain supporting documents and cancelled checks for all deduction claimed in the tax return for at least 3 year from the due date of the tax return.