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

**BUSINESS TAX RETURN ENGAGEMENT LETTER for 2023 TAX YEAR**

|  |  |  |  |
| --- | --- | --- | --- |
| Name of the Entity: |   | EIN: |  |

Thank you for choosing HP & Associates, PC to assist you with your 2023 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. **We will prepare your 2023 Federal, State and City income tax returns based on information provided to us. If you want us to prepare other state and City tax return, please communicate with us in writing.** Our advice is dependent upon the timeliness, accuracy and completeness of the information and representations that we receive from you as well as your stated intended use of the advice. Therefore, providing us with inaccurate or incomplete information or representations may result in inaccurate findings or inappropriate recommendations, and critical recommendations may not be identified. If information changes during the course of the engagement, you must provide our office with the updated information and representations on a timely basis, as the change in information may affect our advice. We will not audit or otherwise verify the data you submit to us, although we may ask you to clarify certain information. Our engagement does not include any procedures designed to detect errors, fraud, theft, or other wrongdoing. Therefore, our engagement cannot be relied upon to disclose such matters. In addition, we are not responsible for identifying or communicating deficiencies in your internal controls. You are responsible for developing and implementing internal controls applicable to your operations. Assisting you with your compliance with the Corporate Transparency Act (“CTA”), including beneficial ownership information (“BOI”) reporting, is not within the scope of this engagement. You have sole responsibility for your compliance with the CTA, including its BOI reporting requirements and the collection of relevant ownership information. We shall have no liability resulting from your failure to comply with CTA. Information regarding the BOI reporting requirements can be found at <https://www.fincen.gov/boi>. **Therefore, our engagement cannot be relied upon to disclose such matters**. This engagement is limited to the professional services outlined above. Our advice is based upon facts, assumptions, and representations as stated and relevant tax reference materials that are subject to change. Tax reference materials include, but are not limited to the Internal Revenue Code (“IRC”), regulations, Revenue Rulings, Revenue Procedures, Private Letter Rulings and court cases. We will not update our advice for subsequent changes to tax reference materials. If the information or representations that you provided to us change, or you wish the firm to research tax law changes after the conclusion of the engagement, we may be available to update our advice as a separate engagement. If you ask us to update our work, we will confirm this representation in a separate engagement letter. If for any reason we are unable to complete the engagement, we will not issue above tax returns.

***Extensions of Time to File Tax Returns:*** **The original filing due dates for your tax returns is March 15, 2024.** **Due to the high volume of tax returns prepared by our firm, the information needed to complete the tax returns must be received no later than March 01, 2024 so that the returns may be completed by the original filing due dates.** It may become necessary to apply for an extension of the filing deadline if there are unresolved tax issues or delays in processing, or if we do not receive all of the necessary information from you on a timely basis. **Failure to timely request an extension of time to file can result in penalties for failure to file tax returns, which accrue from the original due date of the returns, and can be substantial.** Federal, state, and local tax authorities impose various penalties and interest charges for non-compliance with tax laws and regulations, including, failure to file or late filing of returns, and underpayment of taxes. You, as the taxpayer, remain responsible for the payment of all tax, penalties, and interest charges imposed by tax authorities. We rely on the accuracy and completeness of the information you provide to us in connection with the preparation of your tax returns. Failure to disclose or inadequate disclosure of income or tax positions may result in the imposition of penalties and interest charges.

***CPA Firm*** ***Responsibilities:*** It is our duty to prepare your returns based on the same standard of care that a reasonable tax return preparer would exercise in this type of engagement. Unless otherwise noted, the applicable standard of care for a “reasonable tax return preparer” shall be based upon the following pronouncements:

* the Statements on Standards for Tax Services (“SSTS”) issued by the American Institute of Certified Public Accountants (“AICPA”);
* U.S. Treasury Department Circular 230 (“Circular 230”); and
* the Internal Revenue Code, Treasury Regulations, and any applicable state/local corollaries (collectively, “the Code”).

**Government inquiries:** This engagement does not include responding to inquiries by any governmental agency or tax authority. If your tax return is selected for examination or audit, you may request our assistance in responding to such an inquiry. If you ask us to represent you, we will confirm this representation in a separate engagement letter.

***Tax Advice:*** Our advice is based upon tax reference materials, facts, assumptions, and representations that are subject to change. We will not update our advice after the conclusion of the engagement for subsequent legislative or administrative changes or future judicial interpretations. To the extent we provide written advice concerning federal tax matters, we will follow the guidance contained in U.S. Treasury Department Circular 230, §10.37, *Requirements for Written Advice*. *We will use our judgment to resolve questions in your favor where a tax law is unclear, provided there is sufficient support for that judgement*

***Substantial Understatement Penalties :****The IRS and many states impose penalties for substantial* *understatement of tax. You acknowledge your responsibility to inform us of any listed transactions or transactions of interest as designated by the IRS.*

***Client Responsibilities:*** You agree to provide us with complete copies of previously filed tax returns, supporting schedules and any other records or information that we may request, either at the inception or during the course of the engagement. It is your responsibility to safeguard your assets and maintain accurate records pertaining to transactions. We will not hold your property in trust for you, or otherwise accept fiduciary duties in the performance of the engagement.

The requirement to maintain tax basis is ultimately the responsibility of the S corporation shareholder. Loss or distribution is allowed up to basis of shareholder. Excess distribution is taxable to Shareholder. As a condition of our performing the services described above, you agree to:

* Designate an individual who possesses suitable skill, knowledge, and experience, preferably within senior management, to oversee our services; Evaluate the adequacy and results of the services performed;
* Make all management decisions and perform all management functions;
* Accept responsibility for the results of the services, including decisions regarding the implementation of any advice provided by us; and establish and maintain internal controls as well as monitor ongoing activities.
* **Make a decision regarding specified service Trade or Business for 20% qualified business income deduction.**

**State and local filing obligations:** You are responsible for determining your tax filing obligations with any state or local tax authorities, including, but not limited to income, franchise, sales, use, property or unclaimed property taxes. You agree that we have no responsibility to research these obligations or to inform you of them. If upon review of the information you have provided to us, along with information that comes to our attention, we believe you may have additional filing obligations, we will notify you of this responsibility in writing and ask you to contact us. If you ask us to prepare these returns, we will confirm this representation in a separate engagement letter.

**U.S. filing obligations related to foreign financial assets:** As part of your filing obligations, you are required to report the maximum value of specified foreign financial assets, which include financial accounts with foreign institutions and certain other foreign non-account investment assets that exceed certain thresholds. You are responsible for informing us of all foreign assets, so we may properly advise you regarding your filing obligations.

**Foreign filing obligations:** You are responsible for complying with the tax filing requirements & Compliance of any other foreign country. You acknowledge and agree that we have no responsibility to raise these issues with you and that foreign filing obligations are not within the scope of this engagement.

**Ultimate responsibility:** You have final responsibility on tax return, positioned took in preparation of tax return. We will provide you with a copy of the tax returns for review prior to finalization. You agree to review and examine them carefully for accuracy and completeness. You are solely responsible for accuracy and completeness and correctness of the tax return.

***Timing of the Engagement***

Our engagement shall commence upon receipt of this executed Agreement. Our services will conclude upon completion of the tax return.

***Penalties and Interest Charges:*** Federal, state, and local tax authorities impose various penalties and interest charges for non-compliance with tax laws and regulations, including, failure to file or late filing of returns, and underpayment of taxes. You, as the taxpayer, remain responsible for the payment of all tax, penalties, and interest charges imposed by tax authorities.

We rely on the accuracy and completeness of the information you provide to us in connection with the preparation of your tax returns. Failure to disclose or inadequate disclosure of income or tax positions may result in the imposition of penalties and interest charges.

***Professional Fees:*** This fee is based upon the complexity of the work to be performed, and our professional time, as well as out-of-pocket expenses. In addition, this fee depends upon the timely delivery, availability, quality, and completeness of the information you provide to us. You agree that you will deliver all records requested and respond to all inquiries made by our staff to complete this engagement on a timely basis. **You agree to pay all fees and expenses incurred whether or not we finalize the tax return**.

We appreciate the opportunity to be of service to you. Please date and execute the enclosed copy of this Agreement and return it to us to acknowledge your acceptance. **We will not initiate services until we receive the executed Agreement.** By sending us the documents for tax preparation, you agree 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 or estimates for refund.

Sincerely,

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

Certified Public Accountants

TAX RETURN PREPARATION WILL NOT BE STARTED WITHOUT THIS INFORMATION. EIN

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Type of Card** | **Number** | **Exp. Date** | **CVV/4 Digit****Code** |  | **Cardholder Name as displayed on the card** | **Billing Address & Phone Number** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Visa/Master/Discover |  |  |  |  |  |  |

Accepted By: (Taxpayer’s Signature) Date: Click or tap to enter a date.

 **Note: As per AICPA & IRS guidelines, we will not proceed the tax return preparation. Unless the Tax Engagement letter is signed.**

Your tax return is prepared based on this checklist. So, please don’t send us Blank/Incomplete Checklist

***(New clients please send a copy of 2023 Federal, State & City Tax Returns)***

***Business Details***

1. Name of the Corporation -
2. Federal Employer Identification number (*if applicable*) - \_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. Type of entity – (*Please* ***check*** *the applicable box):*
	* 1. ***Sole Proprietor Partnership LLC S Corp Corp***
4. Registered Office Address: -
5. Actual Business location: -
6. Company year-end date - \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(*If other than December 31*)

1. Date of incorporation - \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. State of incorporation - \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. Date of election as an S Corporation - \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
4. **Principal Business Activity**  - \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. Telephone Number - \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
6. E-Mail Address - \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
7. Method of Accounting: Correct Applicable: - **Cash Accrual**
8. **Bank information for Direct Deposit/Debit for Tax Dues/Refunds/our fees payments**.

|  |  |  |  |
| --- | --- | --- | --- |
| Name of the Bank | Routing Number(9 digits) | Account Number | Type of Account Checking/Savings |
|  |  |  |  |

1. **State and City Tax, returns you want us to prepare**:

|  |  |
| --- | --- |
| Name/s of State/s for which tax return needs to be prepared (Use additional space if needed) | Name of City/is for which the tax return needs to be prepared (Physical Location) |
|  |  |  |  |

16. Owners’ Details

|  |  |  |  |
| --- | --- | --- | --- |
| Social Security Number | Name of owner | Ownership % | Address |
|  |  |  |  |
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 A negligence penalty may be assessed where income is unreported. Accordingly, all Forms 1099, W2, W3 Schedules K-1 and other information must be reported to the Internal Revenue Service and all the information should match with the supporting documents.

Your corporate income tax returns are due on March 15, 2024. In order to meet this filing deadline, your completed tax organizer needs to be received no later than March 01, 2024. Any information received after this date may require an extension to be filed for this return.

Estimated tax payments should be made prior to January 15, 2024 to avoid any additional interest/penalty.

Deadline to file Extension is March 01, 2024. We will file extension upon your request or file is process before due date of tax return filing.

If an extension of time is required, any tax that may be due must be paid with the extension. Any taxes not paid by the filing deadline may be subject to late payment penalties and interest due.

We look forward to providing services to you. Should you have any questions regarding any items, please do not hesitate to contact us.

Please fill Business Income and Expenses & Balance Sheet Tab in Attached Excel sheet and send us or provide us a soft copy of your QuickBooks file or a print out of your Profit & Loss Account and Balance sheet.

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***Thank you for your patronage & we look forward to working with you!***