

# 2022 Income Tax Return Annual Engagement Letter

The purpose of this letter is to confirm our understanding of the services you have asked our firm to perform and the terms under which we have agreed to do that work. If this letter confuses you, please ask us to clarify it.

## WHAT WE DO:

We will prepare your 2022 federal and state tax return(s) from the information you furnish us. We will not audit or otherwise verify the data you submit, although we may ask you to clarify some of the information. We may furnish you with tax organizers and questionnaires to help you gather and organize the necessary information for us in order to keep our fee to a minimum.

Our fee does not include responding to inquiries or examination by taxing authorities. However, we are available to represent you, and our fees for such services are at our standard rates. We recommend you notify us in the event you are contacted by any taxing authority and are asked to pay additional tax or penalty. It is our intention to be responsible for the accuracy of our work, including taking responsibility for mistakes that we make. If we make an error in the preparation of your tax return, we will be responsible for the applicable interest and penalties. We will first attempt to have the penalties removed; but if they are not, we will pay the penalties we caused. You will be responsible for additional tax assessed.

## WHAT YOU DO:

It is your responsibility to maintain, in your records, the documentation necessary to support the data used in preparing your tax returns. If you have any questions as to the type of records required, please ask us for advice in that regard. It is also your responsibility to approve your completed tax returns before signing them. You are responsible for the disallowance of doubtful deductions or inadequately supported documentation and for any resulting taxes, penalties, and interest.

We will rely, without further verification, upon information you provide to us from third parties including, but not limited to W2s, K1s, 1099s, bank statements, receipts, and similar items.

We will use our professional judgment in preparing your returns. Whenever we are aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts), we will explain the possible positions that may be taken on your return. We will adopt whatever position you request on your return as long as it is consistent with the codes, regulations, and interpretations that have been set forth. If the Internal Revenue Service should later contest the position taken, there may be an assessment of additional tax plus interest and penalties, which you would need to pay.

We must receive all information to prepare your individual tax return by March 20, 2023, to ensure that your return will be completed by April 18, 2023. Corporations, LLCs, and Partnership return information must be received by February 20, 2023, for your return to be completed by March 15, 2023. We file tax extensions for clients if specifically requested to do so, or at times if we have no word from you that your return has been filed.

It is our policy to keep records related to this engagement for four years, after which they may be destroyed. However, we do not keep any original client records, so we will return those to you with your copies of the tax return. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

## MISCELLANEOUS

We acknowledge that taxpayers and tax preparers are human and prone to make mistakes. We enjoy relationships with our clients based on mutual trust and hope you will extend your confidence to us. We want a good, working relationship and appreciate the opportunity to work for you.

Please date and sign the enclosed copy of this letter to acknowledge your agreement with and acceptance of your responsibilities and the terms of this engagement.

***New Email if updated*** \_\_\_\_\_

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Client signature

\_\_\_\_\_  
Date

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Carlos Nichols, EA. Nichols Accounting, Inc.