

## Engagement Letter for Business Tax Returns

**JK Associates, LLC**

Tax and Consulting Services

9250 Berger Road Suite 310

Columbia, MD 21046

410-884-0317

Business Name: \_\_\_\_\_

Business Address: \_\_\_\_\_

Re: Preparation of Your 2017 Business Tax Return(s)

Thank you for choosing our office to assist you with the preparation of your 2017 Business Income Tax Return and reporting requirements. In this engagement letter we are setting forth pertinent information about the services we will perform for you as well as your responsibilities.

This engagement is for the preparation of your business income tax returns and does not include any services not specifically stated in this letter.

Our engagement is designed to prepare your federal, state and local income tax returns along with supporting schedules. This engagement includes the Maryland Personal Property Tax Return. It does not include sales tax, payroll taxes, state nexus evaluations, or any other Federal or state returns or required reporting (including 1099-MISC). Please discuss with us any additional forms to be prepared.

We will not audit or otherwise verify the data you submit, although it may be necessary to ask for clarification of some of the information. Our engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist. However, we will inform you of any material errors or fraud that comes to our attention. Our responsibility as tax preparer is limited to the tax period specified above and does not extend to any other periods of which we are not engaged as tax preparers.

If, during our work, we discover information that affects your prior-year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue.

Your returns may be selected for review (audit) by one or more taxing authority. If you wish to have us represent you during the examination and/or during any appeal, please make that request to us in writing. If we agree to represent you in that regard, such representation will be the subject of, and governed by, a separate engagement letter. Additional fees will apply.

If you receive a letter from the government, please notify us immediately. We do correct returns at no charge and pay any penalties **if we are at fault. However, we are not responsible for any taxes owed.**

Our CPA on staff will review your returns and will be available at your request to consult with you regarding any questions you may have regarding your return.

You are responsible for the proper recording of financial activities, for the safeguarding of assets, and for the substantial accuracy of your financial records. We recommend you retain all documents, canceled checks and other data that form the basis of income and deductions for up to seven years. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. Please remember you have the final responsibility for the income tax returns and the information you submit. You should review the tax returns carefully before you sign them.

We will use our 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 we conclude that we are obligated to disclose a position and you refuse to permit disclosure, we reserve the right to withdraw from the engagement. Likewise, where we disagree about the obligation to disclose a position, you also have the right to choose another professional to prepare your return. In either event, you agree to compensate us for our services to the date of the withdrawal.

Pass-through entity Income Tax Returns (S-Corporation, Partnership, LLC) are due on March 15, 2018. We will file an extension for all returns received after Friday, Feb. 23. However, we strive to complete all returns by the due date. C-Corporation Income Tax Returns are due on April 17, 2018. We will file an extension for all returns received after March 16<sup>th</sup>. Maryland Personal Property Tax Returns are due April 16<sup>th</sup>, 2018.

*However, an extension is an extension of time to file your tax return and not an extension to pay any tax liability due. If the tax return is not timely filed, the IRS can assess a late filing penalty.*

A fee of \$50 will be charged for filing an extension.

All invoices are due and payable upon completion of the income tax return. ***We will not file your return until we have received payment.*** Checks and major credit cards are accepted. By signing this Engagement Letter, it is agreed and acknowledged that any unpaid balance (after 30 days) pursuant to this Engagement Letter is subject to interest, as allowed by law. Based upon the amount of work your return requires, we may request a retainer. Bookkeeping/accounting services may be additional; we will advise you about additional costs. Additional fees may apply for rush jobs (when we have less than three weeks of preparation time).

This letter confirms the services you have asked us to perform and the terms under which we have agreed to do that work. To formalize our relationship, **please return to our office a signed copy of this letter.** With the return of this signed engagement letter and your tax documents, we can confirm the preparation of your 2017 tax return(s).

By signing this engagement letter, I state that I am aware of and have complied with the reporting requirements for Form 1099-MISC and Form 1099-K.

***JK Associates, LLC, is not responsible for providing any of the deductions taken on my tax return(s). I have provided this information from my own records and I have proof of my deductions and income. I give my permission to prepare my tax return(s) and I have read, understood and agree to the terms of this engagement and I have read the Privacy Policy Act of this firm. I understand payment for preparing my tax return(s) is due upon receipt of my return (s) and it will not be filed until such payment is received.***

Your signature: \_\_\_\_\_

Your name (printed): \_\_\_\_\_

Date: \_\_\_\_\_

Company: \_\_\_\_\_

Title: \_\_\_\_\_

