

JK Associates, LLC, Tax and Consulting Services
9520 Berger Road, Suite 310, Columbia, MD 21046

Preparation of Your Business/Entity Tax Return(s)

Business Name: _____

Business Address: _____

Thank you for choosing JK Associates, LLC, to assist you with the preparation of your income tax returns. This letter confirms the terms of our engagement with you and the nature and extent of services we will provide. Please sign this letter and return it to us along with your tax materials. This engagement is for your tax year income tax return preparation.

Scope

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.

This engagement *does not include* sales tax, use tax, payroll taxes, state nexus evaluations, or any other Federal or state returns, forms or required reporting forms (including 1099 or FinCEN). Also *not included* in the scope of this engagement is any accounting or bookkeeping necessary to complete the tax return, tax planning, responding to IRS or state notices (including audits) or responding to third parties (including subpoenas). These are all separate engagements and will be billed separately. If you need to include accounting or tax planning with your tax return preparation, please let us know. *We are not currently preparing the new FinCEN CTA registration and BOI Beneficial Owner Information reporting.*

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.

A CPA or EA 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.

Client's Responsibility

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.

After the engagement, you are responsible for pickup of any documents you want returned. We will mail them to your address *at an additional cost*. If you do not pick up your documents by the end of the calendar year, we will shred them.

You are responsible for mailing any returns or documents to the IRS or state taxing authorities if you do not e-file. We cannot electronically file the Maryland Annual Report and Personal Property Tax return or the Maryland Estate and Trust Income Tax Return.

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.**

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.

Deadlines

Please be aware of the deadlines set by the IRS. For returns for which we have all required information, including a signed engagement letter, at least **three weeks before the due date**, we will make our best effort to meet the due date. If we do not have the necessary information, you may request we file an extension. We may charge additional fees for extensions or rush jobs.

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.

Default deadlines you should be aware of (not a complete list):

- 1099-NEC reporting: Jan 31
- C-Corporations: April 15, can be extended to Oct. 15
- S-Corporations and Partnerships: March 15, can be extended to Sept. 15
- Maryland Annual Report/Personal Property Tax: April 15, can be extended to June 15
- First quarter estimated tax (C-Corps & MD PTE): April 15

Audits

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.

Disengagement

This engagement is at-will – either party may withdraw at any time with *written* notice. However, if you withdraw from the engagement before the completion of the tax return(s), you will be billed for the time we have spent on the return to that point.

Limitations

Any litigation arising out of this engagement (other than actions by us to collect fees owed to us) must be filed with one year from the completion of the engagement. Any judgement you obtain shall be limited in amount and shall not exceed the fee charged and paid for the services in this engagement letter.

Fees

Our fee for preparation of your tax returns will be based on the amount of time required at standard billing rates, the complexity of your return and necessary research. Additional fees will apply to rush jobs and extensions. All invoices are due and payable upon completion of the income tax return. ***We will not provide your return for filing until we have received payment.*** Checks and major credit cards are accepted. New clients may be required to pay a deposit before we start work. Based upon the amount of work your return requires, we may request a retainer. To the extent permitted by state law, an interest charge may be added to all accounts not paid within 30 days.

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: _____

Tax (fiscal) year: _____