

Tropical Tax Solutions

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January 27, 2024

NEW CLIENT

Subject: Your engagement with Tropical Tax Solutions / Preparation of Your 2023 Tax Returns

NEW CLIENT:

THANK YOU for choosing Tropical Tax Solutions to assist you with your 2023 tax returns. This letter confirms the terms of your engagement with us and outlines the nature and extent of the services we will provide.

We will prepare your 2023 federal and state income tax returns based on the information you provide. We will depend on you to provide the information we need to prepare complete and accurate returns. We may ask you to clarify some items but will not necessarily audit or otherwise verify the data you submit. A Tax Organizer Package is provided to help you collect the data required for your return and prevent you from overlooking important information. **Please use the Tax Organizer Package to expedite the completion of your returns.**

IRS regulations require strict reporting of all foreign and/or digital currency accounts and it is your responsibility to let us know of any in your name or control for 2023.

We are working virtually this year so you will be asked to upload your completed tax organizer and any other supporting documents to our secure data portal. If you are unable to submit your organizer and other tax documents to the portal, you may ask for a mailing address and send us your paperwork. We will convert it to an electronic format and you will be charged a \$75 scanning fee. **This year we are pleased to be partnering with Taxes Plus**, a Maine Corporation, so they will have access to your information. They are fellow Enrolled Agents and bound by the same privacy and data security regulations as Tropical Tax Solutions.

This engagement is for tax preparation only. We will perform bookkeeping services only as needed to prepare your tax returns. Our work will not include procedures to find defalcations or other irregularities. Accordingly, our engagement should not be relied upon to disclose errors, fraud, or other illegal acts, though it may be necessary for you to clarify some of the information you submit. We will, of course, inform you of any material errors, fraud, or other illegal acts we discover. Additional services, such as tax consultation, representation, bookkeeping, etc. will be separate engagements billed separately.

Should we encounter instances of unclear tax law, or of potential conflicts in the interpretation of the law, we will outline the reasonable courses of action and the risks and consequences of each. We will ultimately adopt, on your behalf, the alternative you select.

Our fees are based on the amount of work we do including the number and type of forms, schedules and worksheets prepared, the overall complexity of the returns and any research necessary to accurately complete your returns. Fees are not based on your income or your refund. We may ask you for a down payment and these retainers are considered earned upon receipt. Invoices will be presented upon completion of the returns and taxpayer agrees to pay for the services performed at that time. No returns will be released or filed without payment in full. To the extent permitted by state law, an interest charge may be added to all accounts not paid within thirty (30) days and any checks returned for any reason will result in a collection fee of \$50.00.

Tax returns are subject to review by various taxing authorities. Should an examination of your return occur, Tropical Tax Solutions can be retained to consult with and/or represent you. In the unlikely event of a preparation error on our part we will correct the error at no cost to you and pay any penalties and interest associated with that error. Any additional tax owed would remain the responsibility of the taxpayer.

If presented on paper, we will return your original records to you at the end of this engagement. You should securely store these records, along with all supporting documents, canceled checks, etc., as these items may later be needed to prove the accuracy and completeness of your return. **We will retain copies of your records and our work papers for your engagement for seven years**, after which these documents will be destroyed.

Our engagement to prepare your 2023 tax returns will conclude when our work is complete and you have received a final draft of the returns. Once the draft is approved and we have received your signatures and payment of our fees, we will e-file the returns for you. If you decline to e-file your returns with our office, you will be solely responsible to file the returns with the appropriate taxing authorities. If for any reason we do not receive the information we need to complete your returns by September 01 our engagement for this year will end and any fees received will be deemed earned at that time.

Please review all tax return documents carefully before signing as you are declaring, under penalty of perjury, that you have examined the return and accompanying schedules and statements and that you believe them to be true and correct and accurately list all amounts and sources of income received during the tax year.

We appreciate your confidence in us and look forward to serving you, your family and your friends for years to come.

Thank you for your continued business.

Sincerely,

Jerry Gaddis

Jerry Gaddis EA MBA
Tropical Tax Solutions

To affirm this letter accurately summarizes your understanding of the arrangements for this work, please sign below.
(Both spouses must sign for preparation of joint returns.)

Taxpayer

Spouse

Date

Date