

Letter of Engagement – Tax Services

Tax Year _____

Dear Client:

Thank you for choosing MS TAX Inc. for your professional tax needs. We are pleased to have you as a client and will work hard to keep you happy and satisfied with our work. This letter will confirm our understanding of the terms and the nature and extent of the services that we will provide.

General Firm Responsibilities

We will prepare your Federal and California income tax returns from the information that is furnished by you. In some cases we will file out of state and city tax returns if it is brought to our attention. We will process the returns and send you PDF copies for your records unless directed otherwise. We will file your returns electronically with the proper jurisdictions unless we are directed otherwise. We will not audit or otherwise verify the data that you submit, but will rely on the information you provide. We will keep copies of your returns as required by law.

General Client Responsibilities

You are responsible for providing, in a timely manner, the complete information needed to prepare your returns. You agree to report all your taxable income including partnership interests, sales of business or personal assets and all investment income from all sources. If you are not able to provide all the required information by the first of any month in which the return is due. (April 1st in the case of an individual tax return), you understand that a filing extension may be required and the return may not be completed by the filing date. All interest and penalties would be your responsibility.

Client Substantiation Requirements

You agree that all deductions, business and personal, and true in fact. You agree that if you claim a deduction for travel, automobile or computer expenses, business gifts, entertainment, or charitable deductions, you will keep timely and appropriate records and receipts. If you use an asset for business and personal purposes, you are required to substantiate the deduction by adequate records and evidence. If you have such an expense, you represent that you have the required evidence. It does not need to be provided to us. You are solely responsible for

retaining the supporting documents in case of an audit. If you need any assistance with this, we are happy to advise you.

Due Diligence and Favorable Interpretation

We will exercise due diligence in interpreting all tax rules and regulations that may affect the preparation of your tax return and will resolve questions of interpretation in your favor if there is reasonable justification to do so. We require that aggressive positions be disclosed as appropriate on Form 8275.

Client Signature

When you sign your return, or the electronic substitute, you declare that you have examined the return, including all the accompanying schedules and statements, and that they are true, correct, and complete, to the best of your knowledge and belief.

Client Notification of Audit or other Correspondence / Additional Billing

Your returns are subject to review by taxing authorities. You agree to inform us immediately of any notices from the IRS, FTB, or any other state or city taxing agency. In many cases, the issues can be resolved quickly and simply if prompt action is taken. At this point a Power of Attorney must be signed and sent to us. This allows us to communicate with the IRS or any other agency on your behalf. We will also then be cc'd on any future correspondence. If you have received this notice because of an error caused by us, there will be no charge for our time. However, if the letter was prompted by an error or omission on your part, a charge for our time may be due. This will be discussed before any work begins.

Privacy Policy

MS TAX Inc. will maintain the privacy of your information as required by law. In general, we are not permitted to disclose tax information to third parties without consent; under some circumstances we may share information between related parties without specific authorization— for example, between spouses, parent and children, etc. Please advise us if you do not want us to share amongst these types of groups. You agree to allow us to share your information with other firms only if needed for our administrative purposes. In particular, MS TAX Inc. will never share your information for outside commercial purposes.

Firm Fee Policy

Fees for our services are at our standard rate for tax preparation, with a minimum fee of \$125 in most cases. A copy of our fee schedule is available upon request. Full payment must be made within 15 days of a completed tax return. Full fees are required up front of new clients and a 50% retainer is required for clients requiring multiple or prior year tax returns. Acceptable forms of payment are checks, cash, PayPal with a 4% fee and Credit Cards with a 4% fee.

If your return is audited and we have made an error, we will refund your fees up to the amount of penalty our error may have caused you, provided that you furnish the relevant information. We do not reimburse for additional tax or interest due.

Additional Fees

We are available to answer your inquiries and to consult you on tax matters throughout the year. To encourage you to consult us regarding the tax consequences of any major action you are considering, we do not charge an additional fee for routine consultations. We reserve the right to bill at our regular rate of \$225 per hour and an assistant rate of \$175 per hour for matters requiring substantial time and or research. Work will not begin on any service that would require additional charges without prior consent.

We appreciate you and look forward to a long and happy relationship.

Client Signatures:

Taxpayer Signature**Date**

Printed Name

Spouse Signature**Date**

Printed Name
