

Paul S. Marciano, CPA, LLC.

Accounting and Tax Services

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Tax Return Preparation Client Engagement Letter 2022 Tax Year

2023 Tax Return Preparation Client Engagement Letter

If for Individuals:

Name: _____

Social Security Number: _____

Name of Spouse: _____

Social Security Number: _____

If for a Corporation/Partnership/LLC:

Name of Corporation/Partnership/LLC: _____

Federal ID #: _____

The undersigned taxpayer(s) (hereinafter “you” or “your”) hereby engage Paul S. Marciano CPA, LLC (hereinafter “we” or “us”) to prepare your 2023 Federal and state personal and/or business income tax return(s) (hereinafter, collectively “tax return(s)"). This Engagement Letter sets forth the terms and conditions of your engagement of us to prepare your tax return(s). By signing this Engagement Letter, you confirm that you have engaged us to prepare your tax returns and that you understand and agree to the terms and conditions set forth herein.

1. **We will prepare your tax return(s) based solely on the information you provide us. It is your responsibility to timely provide us with all information necessary to prepare your tax return(s), including disclosing and reporting all reportable income, expenses, deductions and other financial transactions and, if applicable, all financial interests in a business, accounts you hold in foreign countries and/or financial interests you hold in crypto-currencies.** You are responsible for providing us with all information regarding all taxable activities in which you were engaged in for all relevant jurisdictions (i.e., national, state, local municipality, and internationally). Your failure to provide us with all necessary and accurate information can result in the assessment of additional taxes, interest and/or penalties by the applicable taxing authority and, also, can result in criminal and civil liability. We do not, nor will we, audit or verify the information you provide us. Moreover, we are not responsible for calculating, tabulating, compiling, aggregating, or estimating reportable totals from underlying source documentation (e.g., receipts, credit card statements, checks, bank statements). We may ask for clarification of the information you provide and/or we may request you to provide supplemental information so that we can accurately prepare your tax return(s). Our work in preparing your tax return(s) does not include procedures to discover irregularities and/or fraud which may exist.

2. If we prepare your business tax return(s), **you understand and agree that an understatement of income or overstatement of expenses by you may result in additional taxes, interest and/or penalties being assessed against you by the applicable taxing authorities as well as potential criminal and civil liabilities. It is your responsibility to provide us with accurate and truthful information.** If you are a corporate, partnership or sole proprietorship entity we will accept your income and balance sheet information in completing your tax returns, unless we suspect erroneous or fraudulent information.

3. We will electronically file your tax return(s) once you have signed the applicable e-file authorization forms which we will provide to you and you have paid our invoice for services provided in full. We will provide you with a paper copy of your return(s) when we send you the applicable e-file authorization forms for your signature. We will return to you any original source documentation you provided us that is still in our possession. For individual taxpayers, if you do not want us to e-file your tax return(s) you must sign the electronic filing opt-out notification set forth at the end this Engagement Letter and the applicable opt-out forms, including IRS Form 8948. If you opt-out of electronic filing we will then provide you with paper tax return(s) upon our receipt of payment in full for services provided, along with all supporting documentation you provided us still in our possession. **If you are paper filing, you acknowledge and agree that you are responsible for timely filing your paper tax return(s) with the applicable taxing authorities.** If you are paper filing, we recommend that you mail

your returns to the applicable taxing authorities **certified mail, return receipt requested**. If your tax return(s) does not qualify for e-filing for any reason, we will provide you with paper tax return(s) for your signature and filing.

4. Our fee for preparing your tax returns is based on the overall complexity of your tax return(s) and the amount of time required to prepare the tax return(s), **including time spent on applicable research, the time associated with obtaining or verifying requested information, and/or the time associated with updating a return to incorporate the receipt of supplemental or corrected information after the return is initially prepared**. Please note that our fees may change from year to year to reflect changes in your return and changes in our overhead costs, as well as ongoing modifications to the tax code and additional forms that need to be prepared and filed.

5. We recommend you keep all supporting documents, including checks, receipts and other data as well as copies of your returns in an accessible, secure location for an indefinite period of time.

6. **If your return(s) are selected for review or audit by any taxing authority, we will be available to assist or represent you, if you desire, pursuant to an additional separate written agreement and subject to the last sentence of this paragraph. Our fee for preparing your tax return(s) does not include the time that may be necessary to assist you during a taxing authority audit review or providing a response to a CP 2000 Notice or other notice sent to you by any tax authority.** In the event we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to the preparation of your return(s), you agree to compensate us for the time and expenses we incur in responding as required. If such services are requested or required, you will be billed at our standard rates as in effect at that time (currently \$350 per hour). Any such fees will be in addition to those associated with preparing your tax return(s) in accordance with this Engagement Letter. Moreover, in the event we become obligated to pay any judgment, settlement or penalty as a result of any inaccurate or incomplete information you provided us or failed to provide us, you agree to indemnify, defend, and hold us harmless against any such payment. We reserve the right to be exercised in our sole discretion to decline to represent you before the IRS or any other taxing authority in the event of an audit of your current tax returns or any prior year tax returns we prepared for you in the past.

7. We will use our professional judgment in preparing your tax return(s). We will inform you if we become aware of any situation where the applicable tax law is unclear or where there may be conflicting interpretations of the law or regulations by the applicable taxing authorities. In such circumstances we will provide you with information concerning the implications of the different alternatives and seek your directive as to which alternative you prefer us to utilize. We will follow whichever alternative you request provided such alternative is, in our assessment, consistent with the applicable tax code, regulations and interpretations promulgated by the applicable taxing authorities. We reserve the right in our sole discretion to withdraw from this engagement if we disagree with any alternative documentation or analysis you may provide. In such case you agree to reimburse us for the time we spent in reviewing and researching such alternative documentation and analysis at our standard billing rate of \$350 per hour.

8. We will create for our records a 2023 tax file containing a copy of your tax return(s) and a copy of selected supporting documents you provided to us. This tax file is our property. Our current policy is to retain your 2023 tax file for two (2) years after which time it will be destroyed. Our retention policy is subject to change or modification at any time in our sole discretion. Subsequent paper copies of any portion of your 2023 tax file or any prior year tax file maintained by us will be made available to you upon written request and payment of our then current administrative and retrieval fee, which includes a minimum charge of \$75 per request, per copy, per year.

9. If you have engaged us to prepare a joint tax return(s), each taxpayer acknowledges that there is no expectation of privacy as between the joint taxpayers with respect to the services we provide in preparing joint tax return(s) or with respect to the information provided to us or contained on the tax return(s). Each taxpayer acknowledges and agrees that we may share with either taxpayer any and all documents or information relating to the joint tax return(s) without the consent of the other taxpayer. Each taxpayer also acknowledges and agrees that unless we are notified otherwise in writing we may rely upon an instruction or statement from either taxpayer with respect to the preparation of the tax return(s), including the reliance upon any information provided to us by either taxpayer, as an instruction or statement of both taxpayers. You acknowledge and agree that both joint taxpayers must sign and authorize the filing of a joint tax return(s) and that all joint taxpayers are jointly liable for all fees associated with the preparation of joint tax return(s).

10. You are responsible for the payment of all taxes, interest and/or penalties assessed by the applicable taxing authorities based on the tax return(s) prepared by us on your behalf, including any additional taxes, interest and/or penalties assessed following submission of your tax return(s) for whatever reason.

11. You acknowledge and understand that **email and/or text messages may not be a secure method of transmitting confidential financial and tax related information** as it is subject to disruption during transmission and may be intercepted, read, disclosed, redirected to and/or otherwise used by an unauthorized or unintended third party despite being password protected and encrypted. Similarly, although presumably safer than email or text messaging, facsimile transmission of documents may not be secure. Accordingly, you assume full responsibility with respect to any unauthorized disclosures of confidential information you send us via email, facsimile transmission, or text messages. **We do not recommend that you send us any sensitive information (i.e., containing social security numbers) by email or text message unless password protected, encrypted and/or redacted.** Furthermore, you assume full responsibility with respect to the unauthorized disclosure of confidential information we electronically send you, provided it was password protected and encrypted when we sent it to you. If you email us, it is our policy to make a hard copy of the email and any attachments and to include such hard copies in your client file. After the hard copies have been made, the email, including attachments, will be deleted from our electronic files.

12. You acknowledge and understand that conversations and disclosures as between you and us, including those concerning the preparation of your tax return(s), may not be considered privileged confidential information and, accordingly, under certain circumstances, the content of such conversations and disclosures may be disclosed by us to third parties, including applicable taxing authorities or as otherwise judicially ordered.

13. You acknowledge and understand that requests for supplemental services such as requests for additional paper copies of your tax return(s) and/or submitting confirmatory letters to banks, mortgage companies or other third parties, imposes on us additional costs associated with the time, effort and expense incurred in responding to such requests. Accordingly, you agree to pay us for any supplemental services you request at our then current standard billing rate, subject to a minimum charge of \$75 per request, for additional paper copies of your tax return(s) and a minimum charge of \$125 for confirmatory letters. We must receive payment for the requested supplemental service prior to providing the requested supplemental service. **You acknowledge and understand that we can only provide you with additional copies of your tax return(s) and that we cannot, and will not, send copies of your tax return(s) directly to any third party, including banks or mortgage companies.**

14. You understand and agree that if you are an individual tax payer and you do not provide us with all information and documentation required by us to prepare your tax return(s) by March 1, 2024, we may be unable to complete your tax returns in time for a timely filing on or before April 16, 2024. For partnerships and corporations, required information must be provided to us by February 1, 2024 for timely filing of the partnership or corporate tax return by March 15, 2024. In the event required information is not timely provided to us, we will inform you of our potential inability to timely file your returns and discuss with you your potential options, including filing for an automatic extension of time to file your Federal and/or state income taxes for the 2023 tax year. If you opt to authorize us to file for an automatic extension, you understand and acknowledge the following:

- a. **An automatic extension is an extension of time to file the return, not additional time to pay the amount of taxes owed,** which may be known or unknown at the time of filing for the automatic extension. Therefore, you acknowledge and understand that it is prudent to accurately as possible estimate your income and deductions for the period and submit to the applicable taxing authority any additional amounts of estimated taxes owed with the automatic extension;
- b. **You assume all responsibilities for any penalties, late fees and/or interest that may assessed by a taxing authority as a result of you not having properly funded your 2023 tax liability through the extension period;** and
- c. You agree to pay us a fee, not to exceed \$100.00, for filing an automatic extension of time to file, which fee is over and above any fee associated with preparing the applicable tax return.

15. You acknowledge and agree that we reserve and have the right, to be exercised in our sole discretion, to refuse to prepare and/or submit any state tax return required in any state other than The Commonwealth of Massachusetts, including but not limited to the State of New York, the State of California and the State of New Mexico.

16. You acknowledge that we strongly recommend that when you communicate by mail, including but not limited to, submitting payments to the IRS or any state taxing authority (e.g., tax payments, estimated tax

payments, penalties, interest, etc.) that you mail such communications **CERTIFIED MAIL, RETURN RECEIPT REQUESTED** and that you retain the confirmatory mailing information. Also, we strongly recommend that in the memo section of any check submitted to the IRS or state taxing authority you write your social security number, the purpose of the payment, and the tax year.

17. I/we authorize Paul S. Marciano CPA, LLC (PSMCPA) to share or transfer any current and/or prior client tax files PSMCPA maintains regarding me/us with any new partner(s) or acquirer of PSMCPA. Notwithstanding the foregoing, PSMCPA will not share or transfer any client tax file relative to you, or the information contained therein, unless there is an applicable binding confidentiality and non-disclosure agreement in place between PSMCPA and any new partner(s) or acquirer of PSMCPA. PSMCPA will not share your client tax file, or the information contained therein, with any third-party marketing firm for any purpose whatsoever. The provisions set forth in this paragraph shall remain in effect as long as PSMCPA retains a current or prior client tax file regarding you.

18. **PLEASE ACKNOWLEDGE YOUR ACCEPTANCE OF THIS ENGAGEMENT LETTER BY SIGNING AND RETURNING TO OUR OFFICE.**

Thank you for choosing us to prepare your 2023 tax returns.

Sincerely,
Paul S. Marciano CPA, LLC

Paul Marciano, CPA
Paul S. Marciano, CPA

The undersigned taxpayer(s) hereby acknowledge and agree to the terms and conditions as set forth in this Client Engagement Letter.

Name of Taxpayer (Please Print) Signature Date

Name of Taxpayer (Please Print) Signature Date

If a corporation or partnership:

Name of Tax Matters Representative (Please Print) Signature of Tax Matters Representative Date

PLEASE ANSWER THE QUESTIONS ON THE FOLLOWING PAGE

IF YOU ANSWER YES TO ANY QUESTION, PLEASE NOTE THE SPECIFIC INSTRUCTIONS

1. I/we would like to opt out of electronic filing. Initial _____ Initial _____

2. At any time during 2023 did you (or your spouse) (a) receive (as a reward, award or payment for property or services) or (b) sell, exchange, gift or otherwise dispose of, a digital asset (or a financial interest in a digital assets)? Yes _____ No _____

If yes, complete 2023 Tax Organizer Supplement – Digital Assets **

3. At any time during 2023 did you (or your spouse) have a financial interest in or signatory authority over a foreign financial account? Did you (or your spouse) own any foreign financial assets in 2023? Did you (or your spouse) receive a distribution from or make a transfer to a foreign trust in 2023? Yes _____ No _____

If yes, complete 2023 Tax Organizer Supplement – Foreign Assets.**

***** If you need to complete a Tax Organizer Supplement you can download a copy of the Tax Organizer Supplement you need from our website (paulmarcianocpa.com) or you can contact our office and we will provide you with a copy of the requested Tax Organizer Supplement either by email or by mailing a copy to you.***