



# LAURA'S TAX AND BOOKKEEPING SERVICE

*2 S. Pine Drive, Suite E, Circle Pines, MN 55014*

*Ph: 763-270-5150\* Fax: 763-210-6763*

**Email: Laurastaxsvc@gmail.com**

**Website: laurastaxllc.com**

## **TAX PREPARATION ENGAGEMENT LETTER**

We appreciate the opportunity to work with you. This letter confirms the services you have asked us to perform and the terms under which we have agreed to do that work. Please read this letter carefully because it is important to both parties that you understand what you can and cannot expect from our work. In other words, I want you to know the limitations of the services you have asked us to provide. If you are confused at all by this letter or believe we have misunderstood what you need, please let us know before you sign it.

The Internal Revenue Service imposes penalties on taxpayers, and on us as a return preparer, for failure to observe due care in reporting for income on tax returns. To ensure an understanding of our mutual responsibilities, we ask all clients for whom we prepare tax returns to confirm the following arrangement.

We will prepare your **2023** Federal and MN Individual Income Tax Forms and related schedules from information you furnish to us. We will not audit, review, compile or otherwise verify the data you submit although we may ask you for clarification on information. We may furnish you with tax organizers and questionnaires to help you gather and organize the necessary information, to keep our fees to a minimum. ***If you have taxable activity in a state other than that specifically listed, you are responsible for providing us with all information necessary to prepare any additional applicable state(s) and/or local tax returns as well as informing us of the applicable state(s).***

***We are responsible for preparing only specific individual income tax forms for the specified reporting agencies listed in this letter. Any other required services, forms or other actions on our part require a separate engagement letter. In the absence of written communications from us documenting such services, our services will be governed by the terms of this engagement letter.***

If you have derived income from a foreign country, we will use the foreign country income information which you provide to calculate any applicable federal or state foreign tax credit or other affected federal or state income tax items. However, you are responsible for meeting any foreign country income tax or other foreign country reporting requirements. If you have amounts more than \$10,000 invested in a foreign country, the IRS requires that you disclose this. Without your notification of such foreign investments, we will assume that you do not have any amounts invested over \$10,000 outside the United States.

**IF AT ANY TIME DURING THE TAX YEAR YOU RECEIVED, SOLD, EXCHANGED, OR OTHERWISE DISPOSED OF INTEREST IN VIRTUAL CURRENCY WE NEED TO BE INFORMED OF THIS.**

It is your responsibility to maintain in your records the documentation necessary to support the data used in preparing your tax returns, including but not limited to auto, travel, entertainment, income, office in home expenses, and related expenses and the required documents to support charitable contributions. If you have any questions as to the type of records required, please ask us. It is also your responsibility to carefully examine and approve your completed tax returns before signing. We are not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for the resulting taxes, penalties, and interest. We will rely, without further verification, upon information you provide to us from third parties including, but not limited to, W-2's, K1's, 1099's, 1098's, and receipts and equivalent items.

***It is not our responsibility to automatically file tax extensions for our clients, you must notify us in writing, email, fax, or phone if you wish us to file an extension, and the notification should include your estimate of any balance due with the extension. Failure to file an extension may make you subject to various penalties and interest. Additionally, if your return is extended it does not relieve you from paying any tax due on the due date or making quarterly estimated tax payments for the current year. Failure to pay any tax due with the extension or failure to pay quarterly estimated tax payments may make you subject to various penalties and interest.***

WE DO NOT ADVISE ON SALES TAX OR NEXUS ISSUES. IF THIS IS A CONCERN FOR YOUR BUSINESS IT IS YOUR RESPONSIBILITY TO GO TO MN DEPT OF REVENUE FOR UP-TO-DATE SALES TAX AND WHAT YOUR RATES AND FILING REQUIREMENTS ARE.

We will use our professional judgment in preparing your returns. Whenever we are aware that an applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts), we will explain the possible positions that may be taken on your return. We will adopt whatever position you request on your return so long as it is consistent with the codes, regulations, and interpretations that have been promulgated. If the Internal Revenue Service should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional penalties or assessments.

***When a self-employed taxpayer reduces taxable income there is also reduction in earned income reported to the Social Security Administration, which could reduce current and future benefits for the taxpayer and his or her dependents. You acknowledge and agree to the current tax reduction and the potential negative effects on future social security benefits for you, your spouse, and any dependents.***

New privacy laws were established by the IRS effective January 1, 2009, and we are now prohibited from providing confidential information or copies to anyone other than you without your specific written authorization. You agree to pay all reasonable expenses that we may incur that are a result of providing copies. All confidential information sent to you or third parties (at your discretion), may not be password protected. While we use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent and consent to our use of these devices during this engagement.

**AS ALWAYS, PROTECT YOUR IDENTITY. NO EMAILS WILL BE OPENED BY US IF WE DO NOT KNOW WHO THEY ARE COMING FROM. WE WILL REFUSE TO OPEN FILES THAT SEEM SUSPICIOUS OR OTHERWISE UNPROTECTED. WE STRONGLY ADVISE YOU TO USE OUR PORTAL AND NOT SEND CONFIDENTIAL DOCUMENTS VIA FAX OR EMAIL.**

**Security of personal information is of highest priority. Due to the nature of our business some or all your information needs to be shared with third parties, such as IRS, State Departments,**

**City, or local taxing agencies, along with the provider of the tax program that is used to prepare your return. By signing this Engagement Letter, you agree to the necessary exchange of information to those agencies needed to complete an accurate return.**

It is our policy to keep records related to this engagement letter for three years, after which they are destroyed. However, we do not keep any original client records; those documents are returned to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for probable future use, including potential examination by any government or regulatory agencies. We suggest 7 years be kept for Individual and 11 years for Business returns. Prior to each tax filing season, we send a client letter to our clients as a convenience to assist them with gathering their tax information. If you change your email, move, or do not wish to receive a letter, please notify us or we will send it to the address we used on your prior year's tax return.

From time to time, you may seek our advice about potential investments. We can only inform you of the tax ramifications on your tax return(s). We are not investment advisors. Accordingly, we suggest you seek the advice of qualified investment advisors appropriate to each investment being considered. We will not advise you regarding the economic viability or consequences of an investment or whether you should or should not make a particular investment. We would be more than happy to refer you to an Investment Advisor. It will be up to you to contact him or her. If you would like us to contact him or her for you or have him or her, call you, we will need a signed consent form before we can do that.

Our fee for the preparation of your tax return(s) is based on the complexity of the return(s). All invoices are due and payable upon presentation. Billings become delinquent if not paid within 30 days of the invoice date. If billings are not paid within 60 days of the invoice date, at our election, we may stop all work until your account is brought current, or we may withdraw from this engagement. You acknowledge and agree that we are not required to continue work in the event of your failure to pay on a timely basis for services rendered as required by this engagement letter. You further acknowledge and agree that in the event we stop work or withdraw from this engagement because of your failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable to you for any damages that occur as a result of our ceasing to render services. Our services will conclude upon delivery of the completed income tax returns discussed above or upon our suspension of services or resignation from the engagement.

***Our fees do not include responding to inquiries or examination by taxing authorities. However, we are available to represent you and our fees for such services would be covered under a separate engagement letter. You agree to immediately notify us upon receipt of any correspondence from any agency covered by this letter.***

There are no attorney-client privileged communications when working with an Enrolled Agent. Any of the work papers used to prepare your return(s), as well as communications between us can be subpoenaed by the taxing authorities.

In recognition of the relative risks and benefits of this agreement to all parties, the client and Laura's Tax & Bookkeeping Svc LLC have discussed and have agreed on the fair allocation of risk between us. As such, the client agrees, to the fullest extent permitted by law, to limit the liability of Laura's Tax & Bookkeeping Svc LLC to the client for any and all claims, losses, costs, and damages of any nature whatsoever, so that the total aggregate liability of Laura's Tax & Bookkeeping Svc LLC to the client shall not exceed the total fees charged for services rendered under this agreement. The client and Laura's Tax & Bookkeeping Svc LLC intend and agree that this limitation applies to all liability or cause of action against Laura's Tax & Bookkeeping Svc LLC, however alleged or arising, unless otherwise prohibited by law. Both parties agree that there is a one-year limitation period to bring a claim against Laura's Tax & Bookkeeping Svc LLC for errors and omissions. The one-year period will begin upon the date of our signature on the tax returns covered by this engagement letter. Laura's Tax & Bookkeeping Svc LLC consists of the company itself along with all its employees.

This engagement letter represents the entire agreement regarding the services described herein and supersedes all prior negotiations, proposals, representations, or agreements, written or oral, regarding these services. It shall be binding on the heirs, successors and assigns of all parties.

Please date and sign this letter to acknowledge your agreement with and acceptance of your responsibilities and the terms of this engagement. It is our policy to initiate services after we receive the executed engagement letter. If any provision of this agreement is declared invalid or unenforceable, no other provision of this agreement is affected, and all other provisions remain in full force and effect. One signature of a joint return constitutes agreement on both parties. If we do not receive a signature, it will be deemed as if you signed and in agreement to all provisions in this engagement letter.

We are pleased to have you as a client and look forward to a long and mutually satisfying relationship.

Sincerely,  
*Laura's tax & bookkeeping Svc LLC*

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_  
(TAXPAYER/SHAREHOLDER/PARTNER/POA)

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_  
(SPOUSE)

TAX PREPARER: \_\_\_\_\_ DATE: \_\_\_\_\_

**By signing below, you acknowledge you have read and agree to the following:**

**Corporate Transparency Act/Beneficial Ownership Reporting**

**Assisting you with your compliance with the Corporate Transparency Act ("CTA"), including beneficial ownership information ("BOI") reporting, is not within the scope of this engagement. You have sole responsibility for your compliance with the CTA, including its BOI reporting requirements and the collection of relevant ownership information. We shall have no liability resulting from your failure to comply with CTA. Information regarding the BOI reporting requirements can be found at [fincen.gov/boi](https://www.fincen.gov/boi).**

**If you would like to hire Laura's Tax & Bookkeeping Svc LLC as a third-party reporting company, that will be a separate engagement letter.**

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**Taxpayer/Date**

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**Spouse/Date**