

Parkers Prairie Tax Service
PO Box 53
Parkers Prairie, MN 56361
218-338-6078

Dear Tax Client:

This letter is to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide. To ensure an understanding of our mutual responsibilities, we ask all clients for whom returns are prepared to confirm the following arrangements.

We will prepare your 2023 federal and state income tax returns from information which you will furnish to us. We will not audit or otherwise verify the data you submit, although it may be necessary to ask you for clarification of some of the information. We will furnish you with questionnaires and worksheets to guide you in gathering the necessary information. Your use of such forms will assist in keeping the fee to a minimum.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You should retain all the documents, cancelled checks and other data that form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign them.

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations and/or irregularities, should any exist. We will render such accounting and bookkeeping assistance as determined to be necessary for preparation of the income tax returns.

The law provides various penalties that may be imposed when taxpayers understate their tax liability. If you would like information on the amount or the circumstances of these penalties, please contact us.

Your returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, we will be available upon request to represent you and will render additional invoices for the time and expenses incurred.

Our fee for these services will be based upon the amount of time required at standard billing rates plus out-of-pocket expenses.

Payment is required before your return can be considered complete, and therefore, it will not be filed or released without payment. Cash, check, credit card, or E-Check (Processing fees of E-Check \$2.00 & Credit Card 3.25% apply; only Visa & Mastercard) are all acceptable payment methods. If your check bounces, you will be subject to a \$35 returned check charge. **We are not a document storage facility; it is YOUR responsibility to keep your records. You will be provided with one copy of your tax return, if additional copies are needed a minimum \$50 fee per return will be charged.**

Starting in 2024, the Corporate Transparency Act ("CTA") mandates certain entities (primarily small and medium-size businesses) created in or registered to do business in the United States report information about their beneficial owners-the individuals who ultimately own or control a company-to the Financial Crimes Enforcement Network ("FinCEN"). If your individual return includes a business, you are responsible for compliance with the CTA, if applicable, and for ensuring that any required reporting of beneficial ownership information is timely filed with FinCEN as required by the CTA. As **Parkers Prairie Tax Service is not rendering any legal services as part of our engagement, we will not be responsible for advising you regarding the legal or regulatory aspects of your compliance with the CTA, nor are we responsible for the preparation or submission of beneficial ownership information reports to FinCEN.** If you have any questions regarding compliance with the CTA, including but not limited to whether an exemption may apply to your business or to ascertain whether relationships constitute beneficial ownership under CTA rules, we strongly encourage you to consult with qualified legal counsel experienced in this area.

*****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 <https://www.fincen.gov/boi>. Consider consulting with legal counsel if you have questions regarding the applicability of the CTA's reporting requirements and issues surrounding the collection of relevant ownership information.

If the foregoing fairly sets forth your understanding, please sign the enclosed copy of this letter in the space indicated and return it to our office. However, if there are other tax returns you expect us to prepare, please inform us by noting so at the end of the return copy of this letter.

Taxpayer Signature: _____

Date: _____

Spouse Signature: _____

Date: _____

Questions

Please check the appropriate box and include all necessary details and documentation.

	No	Yes
Personal Information		
Did your marital status change during the year? If yes, explain	_____	_____
Did you live separately from your spouse during the last six months of the year?	_____	_____
Do you have a separate decree, instrument, or agreement and are not living in the same household by the end of the year?	_____	_____
Did your address change from last year? If yes, new address:	_____	_____
Can you be claimed as a dependent by another taxpayer?	_____	_____
Did you change any bank accounts, or did routing transit numbers (RTN) and/or bank account number change for existing bank accounts that have been used to direct deposit (or direct debit) funds from (or to) the IRS or other taxing authority during the tax year?	_____	_____
Do you, your spouse (if applicable), and any dependents have a taxpayer identification number (SSN, ITIN, or ATIN)?	_____	_____
Did you receive an Identity Protection PIN (IP PIN) from the IRS or have you been a victim of identity theft? If yes, attach the IRS letter for filing returns in 2023:	_____	_____
Did you reside in or operate a business in a Federally declared disaster area?	_____	_____
(The Federally declared disaster areas include victims of hurricanes, tropical storms, floods, as well as wildfires)		
Did your driver's license expire, change or are you a new client? If yes, copies needed	_____	_____
COVID-19 Information		
Did you receive State and Local Fiscal Recovery Funds (SLFR) under a program to support those negatively impacted by the COVID-19 pandemic for helping you with your mortgage insurance and/or home purchases, such as funds to pay some or all of the down payment and closing costs associated with your purchase of a home? If yes, copies needed of notice	_____	_____
Are you a telecommuting employee that was required to "shelter in place" due to local COVID-19 protocols while working in a state that was not your home state?	_____	_____
Dependent Information-If yes; Dependent Questionnaire Needed		
Were there any changes in dependents from the prior year? If yes, explain:	_____	_____
Do you have any children under age 19 or a full-time student under age 24 with unearned income in excess of \$2,500?	_____	_____
Do you have dependents who must file a tax return?	_____	_____
Did you provide over 1/2 support for any other person(s) other than your dependent children during the year?....	_____	_____
Did you pay for childcare while you worked, looked for work, or while a full-time student? If yes, please provide the detail tax/payment statement:	_____	_____
Is there any other person(s) who lived with you more than half the year but not claimed by you last year?	_____	_____
Did you pay any expenses related to the adoption of a child during the year?.....	_____	_____
If you are divorced or separated with child(ren), do you have a divorce decree or other form of separation agreement which establishes custodial responsibilities?.....	_____	_____
Did any dependents receive an Identity Protection PIN (IP PIN) from the IRS or have they been a victim of identity theft? If yes, attach the IRS letter for use during 2023:	_____	_____
Purchases, Sales and Debt Information		
Did you start a new business or purchase rental property during the year?.....	_____	_____
Did you have ownership interest in any type of business?.....	_____	_____
Did you sell, exchange, or purchase any assets used in your trade or business?	_____	_____
Did you acquire a new or additional interest in a partnership or S corporation?.....	_____	_____
Did you sell, exchange, or purchase any real estate during the year?.....	_____	_____
Did you purchase or sell a principal residence during the year?	_____	_____
Did you foreclose or abandon a principal residence or real property during the year?	_____	_____
Did you acquire or dispose of any stock during the year?	_____	_____
Did you take out a home equity loan this year?	_____	_____
Did you refinance a principal residence or second home this year?	_____	_____
Did you sell an existing business, rental, or other property this year?	_____	_____
Did you lend money with the understanding of repayment and this year it became totally uncollectable?.....	_____	_____
Did you have any debts canceled or forgiven this year, such as a home mortgage or student loan(s)?	_____	_____
Did you purchase a new or previously owned clean vehicle this year that is eligible for the new clean vehicle credit? If yes, attach the vehicle statement from the dealer	_____	_____
Income Information		
Did you have any foreign income or pay any foreign taxes during the year, directly or indirectly, such as from	_____	_____

investment accounts, partnerships, or a foreign employer? _____

Did you receive any income from property sold prior to this year? _____

Did you receive any unemployment benefits during the year? _____

Did you receive any disability income during the year? _____

Did you receive any Medicaid waiver payments as difficulty of care during the year? _____

Did you receive tip income not reported to your employer this year? _____

Did any of your life insurance policies mature, or did you surrender any policies? _____

Did you receive any awards, prizes, hobby income, gambling, or lottery winnings? _____

Did you receive any income considered to be nonemployee compensation? _____

Did you receive a Form 1099-K, 1099-MISC, 1099-NEC, or other income statement for work done in what is commonly referred to as the "gig" economy? _____

Do you expect a large fluctuation in income, deductions, or withholding next year? _____

Did you have any sales or other exchanges of digital assets (including from an airdrop or a hard fork), or used digital assets to pay for goods or services? _____

Retirement Information **No** **Yes**

Are you an active participant in a pension or retirement plan? _____

Did you receive any Social Security benefits during the year? _____

Did you make any withdrawals from an IRA, Roth, Keogh, SIMPLE, SEP, 401(k), or other qualified retirement plan? _____

If yes, were any withdrawals due to a Federally declared disaster?..... _____

If you received any qualified disaster retirement plan distributions, did you repay any of the distributions in 2023?..... _____

Did you receive any lump-sum payments from a pension, profit sharing or 401(k) plan? _____

Did you make any contributions to an IRA, Roth, Keogh, SIMPLE, SEP, 401(k), or other qualified retirement plan? _____

Did you make any qualified charitable distributions (QCD) during the year? _____

Education Information-If yes; College Education Questionnaire Needed **No** **Yes**

Did you, your spouse, or your dependents attend a post-secondary school during the year, or plan to attend one in the coming year? _____

Did you have any educational expenses during the year on behalf of yourself, your spouse, or a dependent? _____

If yes, attach any Form(s) 1098-T and receipts for qualified tuition and related expenses.

Did anyone in your family receive a scholarship of any kind during the year? _____

If yes, were any of the scholarship funds used for expenses other than tuition, such as room and board? _____

Did you make any withdrawals from an education savings or 529 Plan account? _____

If yes, were these withdrawals rolled over into an ABLE (Achieving a Better Life Experience) account? _____

Did you make any contributions to an education savings or 529 Plan account? _____

If Yes: Please provide Trustee Name, Account Number, and Dollar Amount.

Did you pay any student loan interest this year? (MN Tax Credit) **If yes please provide:..... _____**

Amount(s) you paid toward your loan this year and the total original amount of education loans taken out for your education: _____

Did you cash any Series EE or I U.S. Savings bonds issued after 1989? _____

Health Care Information **No** **Yes**

Did you have qualifying health care coverage, such as employer-sponsored coverage or government-sponsored coverage (i.e. Medicare/Medicaid) for your family? "Your family" for health care coverage refers to you, your spouse if filing jointly, and anyone you can claim as a dependent. _____

Did you enroll through **MNSure.org** or Marketplace Coverage **through healthcare.gov** under the Affordable Care Act? **If yes, attach any Form(s) 1095-A you received.** _____

Did you enroll through **MNSure.org** or Marketplace Coverage **through healthcare.gov** under the Affordable Care Act and share a policy with anyone who is not included in your family? _____

Did you make any contributions to a Health savings account (HSA) or Archer MSA? _____

Did you receive any distributions from a Health savings account (HSA), Archer MSA, or Medicare Advantage MSA this year? _____

Did you pay long-term care premiums for yourself or your family? _____

Did you make any contributions to an ABLE (Achieving a Better Life Experience) account? _____

If yes, attach any Form(s) 5498-QA you received.

Did you receive any withdrawals from an ABLE (Achieving a Better Life Experience) account? _____

If yes, attach any Form(s) 1099-QA you received.

If you are a business owner, did you pay health insurance premiums for your employees this year? _____

Itemized Deduction Information **No** **Yes**

Did you incur a casualty or theft loss or any condemnation awards during the year? _____

If yes, did the loss occur in a Federally declared disaster area? _____

Did you pay out-of-pocket medical expenses (Co-pays, prescription drugs, etc.)? _____

Did you make any cash or noncash charitable contributions (clothes, furniture, etc.)? _____

If yes, please provide evidence such as a receipt from the donee organization, a canceled check, or record of payment, to substantiate all contributions made.

Did you donate a vehicle or boat during the year? **If yes, attach Form 1098-C or other written acknowledgment from the donee organization.** _____

Did you pay real estate taxes for your primary home and/or second home? **If yes, attach all Parcel Property Tax Statements for the current tax year; not proposed statements:** _____

Did you pay any mortgage interest on an existing home loan? **If yes, attach any Form(s) 1098 you received.** _____

Did you incur interest expenses associated with any investment accounts you held? _____

Did you make any major purchases during the year (cars, boats, etc.)? Amount of **Sales Tax Paid?** _____

Did you make any out-of-state purchases (by telephone, internet, mail, or in person) for which the seller **did not** collect state sales or use tax? _____

Miscellaneous Information

No Yes

Did you make gifts of more than \$17,000 to any individual? _____

Did you utilize an area of your home for business purposes? _____

Did you engage in any bartering transactions? _____

Did you retire or change jobs this year? _____

Did you incur moving costs because of a permanent change of station as a member of the Armed Forces on active duty? _____

Did you pay any individual as a household employee during the year? _____

Did you make energy efficient improvements to your main home this year? _____

Did you receive a distribution from, or were you a grantor or transferor for a foreign trust? _____

Did you have a financial interest in or signature authority over a financial account such as a bank account, securities account, or brokerage account, located in a foreign country? _____

Do you have any foreign financial accounts, foreign financial assets, or hold interest in a foreign entity? _____

Are you and owner of do you control 25% of a company's ownership interest for a company registered with a secretary of state of similar office before January 1, 2024? _____

Do you plan to become an owner of control at least 25% of a company registered with a secretary of state or similar office for the first time after January 1, 2024? _____

Did you receive correspondence from the State or the IRS? **If yes, explain:** _____

Do you have previous years of tax returns that are either unfiled or filed with unpaid balances due? _____

Do you want to designate \$3 to the Presidential Election Campaign Fund? If you check yes, it **will not** change your tax or reduce your refund. _____

Do you want to donate to the MN Wildlife Checkoff? **If you check yes, it WILL change your tax due or reduce your refund by the amount donated.** _____

Did you receive the First Time Homebuyer Credit in **2008** and are paying back \$500 per year? _____

Were you a resident of another state or part-year resident of MN? **If yes, Need Dates of Residency/States** _____

Did you receive welfare, VA benefits, or any other nontaxable income? _____

Did you receive a property tax refund last year? **If yes amount received \$** _____

K-12 Education Expenses? **Fine arts, music, books, school supplies, equipment.**

If yes, fill out the MN worksheet..... _____

Do you receive military retirement pay (including pensions)? _____

Did you contribute/withdraw from a First-Time Homebuyer Savings Account? _____

Did you receive the MN Direct Tax Rebate? **What amount did your household receive?**..... _____

The one-time rebate law provided payments of up to \$1,300 for eligible households, including:
-\$520 for married couples filing a joint return with adjusted gross income of \$150,000 or less
-\$260 for all other individuals with adjusted gross income of \$75,000 or less
-Another \$260 for each dependent claimed on your return, up to three dependents (\$780)

HOW DO YOU WANT YOUR TAX RETURN DELIVERED?

CIRCLE YOUR CHOICE: Paper Pick up Digital Delivery with eSignature (**No paper copies**)

Taxpayer Signature: _____ Date: _____

Spouse Signature: _____ Date: _____

Contact Phone Number: _____ Email: _____

Further Notes or Questions: