

Zachary Hellman, Enrolled Agent

TAX PREP TECH
5308 RANGE VIEW AVENUE
LOS ANGELES, CA 90042

TEL: 347.249.4990 FAX: 310.734.1560
ZACK@TAXPREPTECH.COM

January 5, 2024

To Our Valued Clients,

We want to help prepare you for a successful tax filing season and provide you with some important dates and information regarding our firm's policies. Please review our updated [engagement agreement](#), [fee schedule](#), and the **full contents of this letter**. Please note that requesting services verbally or in writing constitutes engagement under the terms of the agreement, regardless of whether the agreement is signed. We are a virtual tax office so please let us know if you require special assistance and submit all of your correspondence in writing (do not submit questions or transmit tax information via SMS text messages). Tax Firms are highly targeted by cyber criminals and we cannot click to open links or ZIP attachments. We use [Verifyle](#) to share sensitive information.

FEES

Every year the tax code grows increasingly more complex. Our fees increase annually to remain commensurate with the skill, knowledge, expertise, and continuing education required by regulatory authorities. Our 2023-2024 estimated base fee schedule is posted [HERE](#) (some services may require additional fees beyond those listed). Please be advised, your final invoice may differ from the fee schedule where additional time and due diligence is required. Tax planning, reviewing and responding to notices, audits, and answering questions unrelated to the preparation of your tax return are separate engagements that have separate fees. While we may provide you with an estimate for services, **this price is not guaranteed**. Any changes in the scope of the work required will result in additional fees. We will not begin work without a signed engagement agreement and a 50% deposit of your prior year invoice or estimate. **RETURNS WILL NOT BE FILED UNTIL YOUR INVOICE HAS BEEN PAID IN FULL. A 3.5% Processing Fee will be added to ALL invoices to cover the costs of electronic and administrative filing.**

TAX ORGANIZER

In addition to supplying your documents, **YOU MUST** download, complete and return the [tax organizer](#). The organizer contains essential due diligence questions and we use your responses to accurately complete your return. It is your responsibility to disclose all of the information within the organizer. Anything left blank will be considered not applicable. You are wholly responsible for the accuracy of your return, so please review everything closely.

DELIVERY OF TAX DOCUMENTS

Please do not submit your tax documents until you have fully received, organized, and reviewed them. All documents should be submitted via the document portal ([Verifyle](#)) in PDF format (**NO JPG, HEIC, ZIP, etc.**). We go to great lengths to track your submissions and rely on your cooperation to make this a seamless process.

DOCUMENT SUBMISSION DATES

ALL DOCUMENTS ARE REQUIRED TO BE SUBMITTED 30 DAYS PRIOR TO THE FILING DEADLINE. Corporations and Partnerships filing by 03/15 must submit all documents by 02/15. Individuals filing by 04/15 must submit all documents by 3/15. Corporations and Partnerships on extension filing by 09/15 must submit all documents by 08/15. Individuals on extension filing by 10/15 must submit all documents by 09/15. **If you are unable to meet the submission deadlines you should anticipate filing an extension or your return may be filed late.**

EXTENSIONS

Extensions are only filed for current clients under a signed engagement agreement. If you will require an extension for yourself or your entity (entities may be subject to other deadlines) you must inform us in writing no less than 30 calendar days before the filing deadline or an additional rush fee may apply. Be advised the IRS imposes severe penalties for late filed returns. We will not be held responsible for any late filing penalty or interest imposed by government agencies. **An extension to file your tax return is not an extension to pay your taxes.** Penalties and interest for late payment may accrue and are wholly your responsibility. We will help calculate your estimate for an additional fee, but this service requires advance notice and cooperation. An accurate estimated tax calculation could save you substantial penalties and interest.

REFUNDS & PAYMENT AUTHORIZATION

Please complete and return the Refunds and Payment Authorization [form](#). We will not make tax payments or setup direct deposit for refunds without prior authorization. If we do not receive a completed form, we will assume you are making your own tax payments or would like to receive your refund by check.

BOI REPORTING & CORPORATE TRANSPARENCY ACT

The CTA establishes a **new reporting requirement (Beneficial Ownership Information – BOI)** for most **corporations, limited liability companies (LLCs)**, and other similar entities created in or registered to do business in the United States. Each reporting company must submit a report to FinCEN identifying each beneficial owner of the reporting company and the applicant responsible for the filing of the report. **An entity (and/or its owners) may be subject to a civil fine of up to \$500 for each day the CTA report remains unfiled. Criminal penalties can also be imposed (including a \$10,000 fine, imprisonment up to two years, or both). This is a separate filing from your tax return and is not included in any tax preparation engagement.** Please read our separate client letter about BOI Reporting [here](#). Our ability to offer services for BOI will be dependent on a variety of factors, including but not limited to the state laws governing the entity, due diligence and risk assessment, and professional liability coverage. As such, we may only offer certain Clients a limited scope engagement for the preparation of an initial BOI report. If it is determined we cannot offer you this service based on our assessment, we recommend finding a qualified attorney who can assist you with this matter. Please contact us as soon as possible to inquire about this service, or alternatively, please find a qualified attorney who can assist you with this matter.

CORPORATIONS (S-Corps, C-Corps, Partnerships & LLCs)

Please be advised that the deadline for filing **most** partnership (including LLCs that file as corporations or partnerships) and S-Corporation tax returns (Forms 1065 & 1120S) is **March 15, 2024**, while the deadline for calendar year C-Corporations (Form 1120) is **April 18, 2024**. **Partnerships MUST NOTIFY all partners that Schedule K-3 will only be available upon request unless we are notified by February 15th.**

You will need these returns completed prior to filing your individual tax return. We will need all profit & loss reports, balance sheets (including capital contributions & distributions), payroll reports and other records by **February 15th** in order to guarantee timely completion. **The IRS has added additional compliance measures for the tracking of partnership and shareholder basis and entities can expect greater scrutiny than they have in years past.** Tracking basis is the responsibility of the shareholder or partner. Additionally, corporations **MUST** provide officers with reasonable compensation. Bookkeeping services are available for a separate fee and all entities should be using a double entry accounting system. **Please note that keeping accurate books and records is not just a good idea, it is a requirement of the Internal Revenue Code. (Reg. Section 1.6001-1(a). See also IRC Section 6001(a))**

INDIVIDUALS

Individual tax returns (Form 1040) must be filed by **Monday, April 18, 2024**. 1st quarter estimated tax payments are still due on **April 15, 2024**. Additionally, please provide us with all the pages of the following documents that apply:

- A copy of your 2022 tax return, if not prepared by this office
- All DOBs and SSNs along with complete address for yourself, spouse and dependents
- Banking information if Direct Deposit/Direct Pay is required (*see Refunds and Payment Authorization*)
- Did you pay estimated taxes to Federal and State governments? (dates and amounts)
- Form(s) W-2 (wages, etc.)
- Form(s) 1099 (misc income, non-employee compensation, interest, dividends, unemployment, etc.)
- Form(s) 1095 healthcare
- Schedule(s) K-1 (income/loss from partnerships, S Corporations, etc.)
- Form(s) 1098 (mortgage interest) and property tax statements
- Brokerage statements from stock, bond or other investment transactions (including virtual currency) – **Form 1099, all pages**
- If there are stock sales, **please include a schedule of REALIZED gains and losses. THIS ALSO APPLIES TO CRYPTO CURRENCY! You are responsible for keeping accurate track of your basis in investments.**
- Closing statements pertaining to real estate transactions and HUD statement
- Charitable donations must be supported by receipts and/or checks
- Child care deductions must be supported by provider's full name, address and their Tax ID #
- **Self-employed/sole-proprietors** must include a profit & loss of their income and expenses and keep all supporting records. You must report all income whether or not you receive a 1099. You must also issue 1099s to all contractors you paid more than \$600 over the year in the course of your business. Please contact us if you would like us to prepare your 1099s and complete the [1099 Filing Sheet](#). Copies of your 1099s must be mailed to the recipients and the IRS by **February 1st**.
- **Auto expenses** must be supported by a contemporaneous mileage log for which you are wholly responsible to provide. You must provide a record of your business and personal mileage to claim auto expenses.

- If eligible to take a home office deduction – We will need all of your home expenses (rent, mortgage interest, insurance, taxes, utilities, etc.) as well as the square footage of your home and your workspace. **DO NOT include living expenses or income tax payments in your business expenses!!**
- You are responsible for reporting all foreign activities. It is your obligation to inform us of all foreign account or asset information if you had an interest in, or signature authority over a bank, securities or other financial account in a foreign country. If you have foreign tax issues, please contact us to learn more about foreign bank, financial account, and informational return reporting requirements.

Additional tax worksheets are available on our website taxpreptech.com. We offer bookkeeping and payroll services for an additional monthly fee. Please be advised that tax planning, reviewing and responding to notices, audits, and answering questions unrelated to the preparation of your tax return are separate engagements that have separate fees. If you have questions about any of this information please reach out to us directly.

Let's get a head start and tackle your 2023 taxes today!

Sincerely,



Zachary Hellman, Enrolled Agent

NEW CLIENTS/REFERRALS

Warm referrals always make the best clients and are greatly appreciated! We value our time, knowledge and experience, which is why prospective client meetings are paid consultations. If you choose to move forward and work with our firm, we will credit your consultation fee to your final invoice. We will continue to accept new clients for the 2023 tax season, however, any prospective client who reaches out after March 15th will almost certainly require an extension. ***If you or someone you know has an issue with paying their federal or state taxes and needs help resolving collection issues, please contact us today for assistance.***

A WORD ABOUT EXTENSIONS: The word “extension” tends to get a bad rap for no reason. An extension for your tax return is perfectly fine and normal — millions of Americans go on extension every year, and there’s nothing wrong with it. The IRS does not put your return under more scrutiny when you file for an extension, and you are not going to be audited just because you went on extension. An extension gives you an additional 6 months to file your tax return. The one thing an extension **DOESN’T DO**, though, is give you extra time to pay your taxes. We still need to do the best we can to calculate your tax liability as of April 18th. Any amount that remains due after the deadline will be subject to IRS penalties of 0.5% of the total tax due per month plus standard IRS interest which currently sits at 8% and is variable. As long as we get you to a point where all of your taxes are paid by April 18th, when we actually end up filing the tax return is of less consequence. That’s why it’s important to get all of your tax documents to us right away so we can take a high-level look at your tax situation to see if you’re going to owe money or get a refund. There is great value in calculating and making timely estimated payments!

Zachary Hellman, EA DBA Tax Prep Tech

2023-2024 Estimated Fee Schedule

Individual			
Form 1040 (SGL, MFS, HOH)	Individual Income Tax Return	\$	395
Form 1040 (MFJ)	Individual Income Tax Return	\$	495
Schedule A	Itemized Deductions	\$	110
Schedule B	Interest and Ordinary Dividends	\$	55
Schedule C	Profit or Loss from Business	\$	150 *
Schedule D	Capital Gains and Losses	\$	110 *
Schedule E	Supplemental Income and Loss	\$	110 *
Schedule F	Profit or Loss from Farming	\$	110 *
Schedule H	Household Employment Taxes	\$	110 *
Additional Schedules, Forms, Credits, Multi-State Returns	Home office, vehicle mileage, depreciation, Foreign Tax Credit, Nondeductible IRAs, Education Credits, Energy Credits, and any forms which require additional time or due diligence.	\$	110 *
FBAR and 8938	Foreign Bank and Financial Accounts	\$	500 *
State LLC Return	Single-Member LLC Return	\$	150 *
Extension & Estimated Payment	Calculation of estimate	\$	150 *
Rush Fee	Added to late submissions	\$	150 *
Tax Planning Session		\$	495
Business			
Form 1120	C corporation Income Tax Return	\$	1,295 *
Form 1120S	S corporation Income Tax Return	\$	1,050 *
Form 1065	Partnership & LLC Income Tax Return	\$	1,050 *
Form 1041	Income Tax Return for Estates & Trusts	\$	1,050 *
Form 990	Tax-Exempt Organization Tax Return	\$	1,050 *
Multi-State Returns		\$	500 *
Pass-Through Entity Tax		\$	500 *
Shareholder & Partnership Basis	Basis Calculation	\$	350 *
Rush Fee	Added to late submissions	\$	150 *
Annual Business Compliance Package		\$	1,500 *
Entity Management		\$	5,000 *
Bookkeeping Services			Upon Request
Representation			
IRS Transcript Retrieval		\$	350
Tax Resolution Consultation		\$	750
Streamlined Installment Agreement		\$	750
Regular or Partial-Pay Installment Agreement		\$	1,000 *
Penalty Abatement		\$	750 *
Liens & Levies		\$	750 *
Offer-In-Compromise			Upon Request
Audit Representation			Upon Request
Retainer			Upon Request

**Notes the starting base price. Your final invoice may differ from the fee schedule where additional time and due diligence is required. Tax planning, reviewing and responding to notices, audits, and answering questions unrelated to the preparation of your tax return are separate engagements that have separate fees. While we may provide you with an estimate for services, this price is not guaranteed. Any changes in the scope of the work required will result in additional fees. We will not begin work without a signed engagement agreement and a 50% deposit of your prior year invoice or estimate. A 3.5% Processing Fee will be added to ALL invoices to cover the costs of electronic and administrative filing.*

ZACHARY HELLMAN, ENROLLED AGENT