Hellman & Associates, LLC
TAX PREP TECH
5308 RANGE VIEW AVENUE
LOS ANGELES, CA 90042
——
TEL: 347.249.4990 FAX: 310.734.1560
ZACK@TAXPREPTECH.COM

January 5, 2026

To Our Valued Clients,

In an effort to support our continued growth and better serve our clients, we are excited to announce that the firm has transitioned to operate as Hellman & Associates, LLC d/b/a Tax Prep Tech.

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** and the **full contents of this letter**. You must request and sign the engagement agreement via **Verifyle** to be added to this season's active client list.

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 **FULLY VIRTUAL** tax office that only uses **ELECTRONIC COMUNICATIONS** (no paper documents). For the protection of your information, you must use our document portal to share your tax documents or we cannot provide you services. Submit all of your correspondence in writing **(do not submit questions or transmit tax information via SMS text messages**).

Due to high demand and our extensive waitlist of prospective clients, we kindly emphasize that offers of engagement are strictly valid for a period of seven days from the date of issuance. To secure your position and proceed with our services, it is imperative that we receive your signed engagement agreement within this seven-day window. Regrettably, failure to do so may mean we are unable to assure your placement in our queue. We encourage prompt action to avoid disappointment and ensure we can begin this season's engagement without delay.

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. Fees for tax preparation are based on the complexity, time, and professional judgment required to prepare an accurate return. We will be happy to provide you with an estimate based on the information you provide. While we may provide an estimate, this is not a guaranteed price. Any changes in the scope of work, documentation requirements, or due diligence obligations may result in a higher final fee. Please be advised that your final invoice may differ from the original estimate. We will not begin work without both payment and a signed engagement agreement. All fees invoiced are flat, all-inclusive amounts that reflect the full cost of services, including administrative, compliance, and electronic filing costs. **RETURNS WILL NOT BE FILED UNTIL YOUR INVOICE HAS BEEN PAID IN FULL.** By signing the engagement agreement, you hereby authorize us to process payment for services rendered. Upon payment, it is deemed that all services outlined in this agreement have been provided to your satisfaction. All payments are final and non-refundable. The engagement agreement, once signed, and payment made, constitutes a binding commitment to the terms of service and payment as detailed in the agreement. You may require additional services that fall outside the scope of a tax preparation engagement. 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.

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 (or in another format). 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. Tax Firms are highly targeted by cyber criminals. As a result, firm policy prevents us from downloading any e-mail attachments. **WE WILL NOT CLICK** to open links or ZIP attachments. **NEVER** directly e-mail documents, especially those that include any sensitive or identifying information (such as your SSN, etc.) Our main concern is keeping you and your information safe and secure. We use **Verifyle** to share sensitive information.

For the protection of your information, our document portal is designed exclusively for active tax engagements and is not equipped to serve as a long-term storage solution. Accordingly, documents will remain accessible on the portal for the duration of the current tax year only, after which they may be subject to removal. Please be assured that we will maintain copies of all documents in alignment with our record retention policy. Following the expiration of this period, please note that documents will be securely destroyed without further notice. Given these limitations, we strongly advise you to download and save your own copies of all tax documents for your records. We recommend taking proactive steps to secure your important tax documents to ensure their availability when you need them.

*****DOCUMENT SUBMISSION DEADLINES*****

We expect to meet your due dates and require that you meet ours. As a result, we can no longer accept your documents without advanced notice and prearrangement. ***ALL DOCUMENTS ARE REQUIRED TO BE SUBMITTED A MINIMUM 45 DAYS PRIOR TO ANY FILING DEADLINE.*** Corporations and Partnerships filing by 03/15 must submit all documents by 02/01. Individuals filing by 04/15 must submit all documents by 3/01. Corporations and Partnerships on extension filing by 09/15 must submit all documents by 08/01. Individuals on extension filing by 10/15 must submit all documents by 09/01. **If you are unable to meet the submission deadlines you should anticipate that an extension will be filed or your return may be filed late. Tax returns are prepared on a first come, first serve basis. We do not send reminders for document requests and you are expected to respond promptly or your returns will be removed from the queue.**

EXTENSIONS

Extensions are only filed for current clients under a signed engagement agreement. **We reserve the right to extend returns at our discretion if we deem that your return will not be completed due to incomplete information, outstanding document requests, or missed deadlines. Should you find this policy unacceptable, we respectfully suggest that you may wish to consider engaging the services of another firm that better aligns with your preferences.** 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 45 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 & TAX PAYMENT AUTHORIZATION

YOU MUST complete and return the **Refunds & Tax Payment Authorization** **form** (Individuals) or **Payment (ACH) Authorization** **form** (Business). 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 refunds by check. You must confirm the accuracy of your banking information before submitting to us. Please review the "Tax Payments" section of the engagement agreement for additional details.

TAX PAYMENTS *(PLEASE READ CAREFULLY!)*****

As the IRS continues phasing out paper checks and states implement mandatory e-payment systems, learning to make tax payments and estimated payments electronically is more important than ever. If you authorize us (see **Refunds & Tax Payment Authorization** above), we will transmit your banking information with your electronically filed tax return for direct debit of balances due or direct deposit of refunds. However, we have no visibility or control over whether your payments are successfully processed. It is always your responsibility to confirm that any payment has been scheduled, withdrawn, and credited timely. If you do not authorize electronic payment, you are responsible for arranging and confirming your own payments. We can provide written instructions for making secure payments online, but you must ensure the payments are scheduled and made on time. Ongoing support with making tax payments and responding to notices is available through an **Annual Support Agreement**, offered separately from tax preparation. **This service is automatically included for all monthly bookkeeping clients. If you will require additional support beyond tax preparation, we suggest requesting the Annual Support Agreement in addition to your tax prep fees.**

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

Please be advised that the deadline for filing calendar year partnership (including LLCs that file as corporations or partnerships) and S-Corporation tax returns (Forms 1065 & 1120S) is **March 15, 2026**, while the deadline for calendar year C-Corporations (Form 1120) is **April 15, 2026**. **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 1st** 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. (Treas. Reg. §1.6001-1(a). See also IRC §6001(a))**

ONE BIG BEAUTIFUL BILL ACT (OBBB)

President Trump signed the One Big Beautiful Bill Act (OBBB) into law on July 4, 2025. OBBB is the biggest set of tax law changes since the Tax Cuts and Jobs Act of 2017, and goes well beyond a simple extension of that law. Our focus has been on adapting to the provisions impacting our clients for tax year 2025, and provisions requiring planning analysis in 2025 and beyond. Some of the changes you may be hearing about include but are not limited to: tips deduction, overtime deduction, car loan interest deduction, senior citizen deduction, state and local tax (SALT) deduction, bonus depreciation, research & development expenses, qualified disaster losses and personal casualty losses, and §1202 qualified small business stock. Since it is unknown how many employers will voluntarily report the qualified overtime compensation amount, it should be a **best practice for 2025 to provide your last pay statement if you received any 2025 overtime pay** with your tax documents for the upcoming tax season. There is a great deal of misinformation about what is and is not in the final bill. For a comprehensive and authoritative summary, please review the following article from my trusted colleague, Thomas Gorczynski.

PTET (PASS-THROUGH ENTITY TAX)
PTET can provide federal tax savings for S corporations, partnerships, and LLCs filing as S corporations or partnerships. Each state has their own unique rules for electing into and paying PTET. We provide general information on PTET to all clients; however, advisement on such matters is not included in tax-preparation engagements. PTET necessitates additional planning beyond the scope of our standard tax-preparation engagement. It is imperative that clients desiring comprehensive PTET advisement engage us separately for that specific purpose as PTET suitability requires significant analysis and a review of up-to-date financial records. If you anticipate a net profit from your pass-through entity and would like to learn more about the potential tax savings PTET could provide your entity, please schedule a tax planning session. **Most of the PTET elections have strict deadlines and procedures for PTET participation and you must act timely. The CA safe harbor payment to participate (the greater of $1,000 or 50% of prior year elective tax paid) must be made by June 15, 2026. Other states have other deadlines and requirements.**

MANDARTORY RETIREMENT SAVINGS PROGRAMS – (CalSavers)
CA State law requires employers that don't offer their own retirement plan to facilitate CalSavers. If you employ one or more California-based employees (including yourself), and don't sponsor a qualified retirement plan, your business is required to register for CalSavers. Employers must also register their business with CalSavers and inform if exempt from already offering a qualified retirement plan. The deadline for employers with 5 or more employees was June 30, 2022. Employers with 1-4 employees must register by December 31, 2025. Failing to do so can lead to enforcement action and fines. Please see the FAQ for a list of qualified retirement plans at **calsavers.com**. Other states (CO, CT, DE, IL, MD, ME, NV, NJ, NY, OR, RI, VA, VT) also mandate (or will soon MA, MN, MO, NM, PA, WA) retirement savings programs for their employees so be sure to check to make sure your entity is in compliance.

LOCAL BUSINESS TAX FILINGS (LA CITY BUSINESS TAX, etc.)
If you operate a business, engage in rental activities, or are paid as an independent contractor, you may have a local or municipal business tax filing requirement, including with the City of Los Angeles or other jurisdictions where you live or conduct business. **Please note that local and municipal business tax filings are not included in standard income tax preparation engagements.** These filings often require gross receipts calculations based on current financial records and may have deadlines and compliance rules that differ from federal or state filings. If we provide bookkeeping services, we can supply gross receipts information; otherwise, we are unable to provide these figures. Failure to obtain the required Tax Registration Certificate and/or to timely file and pay local business taxes may result in penalties and interest. For the City of Los Angeles, previously registered businesses typically receive an automatic renewal statement in January; however, a timely return must still be filed even if no renewal notice is received. Annual City of Los Angeles business taxes are due January 1 and become delinquent after February 28. A business with $100,000 or less of combined taxable and non-taxable gross receipts within and outside the City may qualify for the Small Business Exemption (LAMC §21.29). To claim the exemption, the Office of Finance must receive a timely renewal filing. Other local municipalities—including Beverly Hills, Culver City, Pasadena, Santa Monica, and West Hollywood—have their own business tax registration and filing requirements. Additionally, certain cities throughout the U.S. may also impose separate business tax, registration, or gross receipts filing requirements. Clients are responsible for consulting the applicable local jurisdiction to ensure full compliance with all municipal filing and payment obligations.

INDIVIDUALS
Individual tax returns (Form 1040) must be filed by **Wednesday, April 15, 2026**. 1st quarter estimated tax payments are due on **April 15, 2026**. Additionally, please provide us with all the pages of the following documents that apply:

- A copy of your 2024 tax return, if not prepared by this office. New clients **MUST** submit a copy of a valid state issued identification or passport.
- 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 exclusive workspace. **DO NOT include personal 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.

TRUSTS & ESTATES

For calendar-year trusts and estates, Form 1041 is due April 15, 2026. For fiscal-year estates and trusts, Form 1041 is due on the 15th day of the fourth month after the close of the tax year. For calendar-year filers on extension, the extended deadline is September 30, 2026. To prepare a fiduciary return, you must provide all relevant estate or trust documents, including the trust agreement, will, Letters Testamentary/Administration, account statements, income and expense records, K-1s issued or received, and all other supporting documentation. A one-time fee is required to review and analyze the trust instrument and related governing documents in order to determine taxability, distribution provisions, and applicable reporting requirements. Fiduciary tax preparation cannot begin until this review is completed and all required documentation has been provided.

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 2025 taxes today!

Sincerely,

Zachary Hellman, EA, CFE

PRIVACY POLICY

Here is our Privacy Policy required by the Gramm-Leach-Bliley Act of 1999. We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications, tax organizers, worksheets and other documents;
- Information about your transactions with us, our affiliates, or others;
- Information we receive from a consumer-reporting agency.

We do not disclose any nonpublic personal information about our clients or former clients to anyone, except as permitted by law.

We treat any information you give us confidentially. We restrict access to nonpublic personal information about you to those members of our firm who need to know that information to provide services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information. Online information is stored on secure servers and data centers. We do not disclose any personal or confidential information to anyone without your express permission, except as permitted or required by law. Please review our Consent For Disclosure and TIGTA Consent forms.

DO YOU HAVE AN IRS ONLINE ACCOUNT? YOU SHOULD!
The IRS has the following in the Individual Tax Account:

- Access tax records
- Make and view payments
- View or create payment plans
- View balance
- Manage profile preferences (including getting an IP PIN)
- View tax professional authorizations

ID.me authentication is required to access the application. Find instructions for setting up an account **here**. Sign up with IRS **here**.

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 15th. 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 7% and is variable. As long as we get you to a point where all of your taxes are paid by April 15th, 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!

IRS STAFFING AND BUDGET CUTS THREATEN 2026 FILING SEASON!
As of June 2025, the IRS workforce has decreased by over 25% to fewer than 76,000 from the 102,000 employees according to the national taxpayer advocate. A reduction of this magnitude will likely impact taxpayers and the level of service provided. To avoid service disruptions:

- File early and electronically whenever possible
- Make tax payments electronically and use direct deposit for refunds
- Keep contact information current
- Respond to notices quickly and make sure you have an IRS online account
- Ensure you have provided ALL of your tax documents and estimated payments before filing

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. We will continue to accept new clients for the 2026 tax season; however, any prospective client who reaches out after March 1st 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.***