



**CARLSON TAX SERVICE**  
thinking about taxes so you dont have to

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## ENGAGEMENT LETTER FOR TAX PREPARATION

This engagement letter is to confirm our understanding of the preparation of your year 2011 Federal and California (and other states only as listed here \_\_\_\_\_) individual income tax returns. We are responsible for preparing only the specific income tax forms for the specified agencies listed herein. Any other services, forms, or actions taken on our part will require a separate, signed engagement letter. Absent written communication from us documenting such services, our services will be limited to and governed by the terms of this engagement letter. In order to ensure an understanding of our mutual responsibilities, this engagement letter must be signed, indicating your agreement, before work on your tax returns can begin. Furthermore, this engagement letter represents the entire agreement regarding services to be performed; it 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 you and us.

The IRS imposes penalties on both taxpayers and preparers for failure to observe due care in reporting for income tax returns. You agree to furnish all of the information that is necessary for the preparation of your returns, (e.g., but not limited to, Forms W2, 1099, K-1, 1098) and you represent that the written and oral information you are supplying is accurate and complete to the best of your knowledge. You further represent that you have the necessary documents, records, receipts, or other evidence to substantiate the items regarding income and deductions shown on your return. We will not independently audit or verify your information, although we may ask for certain items to be clarified. We will maintain copies of records related to this engagement for no less than three years following the date the returns are filed, but we do not guarantee that copies of all records you provide will be kept. Your original papers will be returned to you. You are encouraged to keep these records for no less than three years following the date your returns are filed.

It is understood that the purpose of return preparation is not to avoid taxes, nor create the lowest possible tax liability or the greatest possible tax refund, but *to obtain the most accurate return possible*. Whenever we are aware that a tax position or tax law is unclear 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 the codes, regulations and interpretations in effect at the time. We are not responsible for the disallowance of doubtful deductions due to lack of supporting documentation, or for tax positions later challenged by the taxing authorities, nor for any resulting taxes, penalties or interest assessed.

If you have any derived income from a foreign country, we will use the foreign country income information you provide to calculate any U.S. federal and/or state foreign tax credit or other affected income tax items. You are responsible for reporting, filing or meeting any foreign country income tax requirements. If you hold investments/monies in excess of \$10,000 in any foreign country, the IRS requires you disclose this on Form 1040 and you may be required to complete a foreign bank account disclosure (Form TD F 9920.1). Without your notification of such foreign investments, we will assume you do not have any amounts invested over \$10,000 outside of the United States.

**CONTINUED ON BACK**

Tax returns are subject to examination (audit) and adjustments by the taxing authorities which may result in additional assessments of tax, interest and penalties. Generally, an assessment by the taxing authorities is presumed correct and must be rebutted by the taxpayer. If you receive any correspondence from the taxing authorities, we encourage you to contact us to discuss the situation prior to your response; however, we do not assume responsibility for such assessments, and if you would like assistance in connection with the examination of your return, there will be additional fees and will require a separate signed engagement letter.

We DO NOT automatically file tax extensions for clients. You must notify us in writing (email is acceptable) if you wish us to file an extension on your behalf. Failure to file an extension may subject you to various penalties and interest by the taxing authorities. *Note: If your return is extended this does not extend the time to pay any taxes due, nor relieve you of making required quarterly estimated tax payments for the current year. Failure to make either of such payments will subject you to various penalties and interest assessed by the taxing authorities.*

In recognition of the relative risks and benefits of this agreement to both you and to us, you agree to the fair allocation of risk. As such, you agree, to the fullest extent permitted by law, to limit the liability of Glenn Carlson E.A. to you, as the client, for any and all claims, losses, costs, and damages of any nature, so that the total aggregate liability of Glenn Carlson E.A. to the client shall not exceed the total fee for services rendered under this agreement. The client and Glenn Carlson E.A. intend and agree that this limitation apply to any and all liability or cause of action, 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 us for errors or omissions. The one-year period will begin upon the date of the tax preparer's signature on the tax returns covered by this engagement letter.

Fees for our services are charged/based on a per form/hourly rate; an estimate of fees will be provided to you prior to the preparation of your returns and we will inform you in advance if there are any significant changes to this estimate. *Payment will be due upon completion of your returns and must be remitted before they will be e-filed or released to you for mailing.*

If you need any clarification or would like to discuss any of the above, please be sure to call.

**I have read the above terms of this engagement letter and agree with the terms of this engagement:**

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date \_\_\_\_\_

For Carlson Tax Services: \_\_\_\_\_ Date \_\_\_\_\_

#### NOTICE REGARDING YOUR PRIVACY

Enrolled Agents are bound by standards of confidentiality and therefore we will protect your right to privacy. In the preparation of your tax returns, nonpublic personal information is collected from you or obtained by us with your authorization. For current and former clients we do not disclose any nonpublic personal information obtained in the course of preparing your tax returns except as required by law; we will not release any permitted personal information without your express consent and when information is shared, we will stress the confidential nature of the information. We do our best to guard your nonpublic personal information by maintaining physical and electronic safeguards that comply with our professional standards.