



CARLSON TAX SERVICE

thinking about taxes so you dont have to

Post Office Box 661
San Mateo, CA 94401
650 341-6645 415 519-1728

January 2012

Over the coming weeks you will receive information from numerous third party sources required to complete your 2011 income tax returns. W2s from employers and government agencies, 1099s from clients, financial institutions, and brokers, and 1098s from mortgage holders are just some of the most common forms mailed to you. Set these aside to provide to me when we meet, or send to me with your other tax information from the tax organizer. My scheduled block time for client appointments this year will be Tuesdays, Thursdays and limited Saturdays.

Included in this package is this year's engagement letter. This must be signed and returned to me before I can begin preparing your returns. If an organizer is included in this packet, ***please complete the organizer***. Use of the organizer helps both of us to keep the workflow streamlined, limits the amount of follow up questions I need to ask you, and therefore keeps costs down. If the information requested in the organizer is being provided on a third party form (W2, 1099 etc.) you do not need to transcribe the information into the organizer, so long as you are providing me with the document, or a copy of it. *Please do not leave any information blank: if no information is available or necessary please use "0" or "n/a" or, if an account has been closed, cross it out on the organizer.* If no organizer is enclosed this means I am awed by your own methodical and complete record keeping, mastery of Excel spreadsheets, and you absolutely deserve a cookie.

All returns that can be filed electronically will be filed electronically. Once your returns are complete I will provide you with a copy to review, along with e-file transmission authorization forms for you to sign and return to me along with any payment due. Once I receive your signed e-file authorizations and payment, I will e-file your returns. Once the e-file returns have been received and accepted by the IRS and FTB/state, I will e-mail you a confirmation. Please be sure I have a current e-mail address for you.

Personal referrals (aka word of mouth) are greatly appreciated, and for every new client you refer, I will apply a \$50 credit towards your bill. Referrals made after your returns are completed will result in the credit being applied against next year's bill.

Deadlines: To guarantee your returns are filed by the due date (Monday April 16th 2012) I must have your information no later than Monday, March 26th and I must have your e-file authorization forms returned to me by Wednesday, April 11th. I look forward to working with you.

Glenn A. Carlson, E.A.
Admitted to Practice Before the IRS



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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.

Client Tax Organizer

Please complete this Organizer before your appointment. Prior year clients should use the proforma Organizer provided.

1. Personal Information

	Name	Soc. Sec. No.	Date of Birth	Occupation	Work Phone
Taxpayer					
Spouse					
Street Address		City	State	ZIP	Home Phone
Email Address					

	<u>Taxpayer</u>		<u>Spouse</u>		<u>Marital Status</u>	
Blind	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Married	Will file jointly <input type="checkbox"/> Yes <input type="checkbox"/> No	
Disabled	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Single		
Pres. Campaign Fund	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Widow(er), Date of Spouse's Death _____		

2. Dependents (Children & Others)

Name (First, Last)	Relationship	Date of Birth	Social Security Number	Months Lived With You	Disabled	Full Time Student	Dependent's Gross Income

Please provide for your appointment

- Last year's tax return (new clients only)
- All statements (W-2s, 1099s, etc)
- Name and address label (from government booklet or card)

Please answer the following questions to determine maximum deductions

- | | |
|---|---|
| <p>1. Are you self-employed or do you receive hobby income? <input type="checkbox"/> Yes* <input type="checkbox"/> No</p> <p>2. Did you receive income from raising animals or crops? <input type="checkbox"/> Yes* <input type="checkbox"/> No</p> <p>3. Did you receive rent from real estate or other property? <input type="checkbox"/> Yes* <input type="checkbox"/> No</p> <p>4. Did you receive income from gravel, timber, minerals, oil, gas, copyrights, patents? <input type="checkbox"/> Yes* <input type="checkbox"/> No</p> <p>5. Did you withdraw or write checks from a mutual fund? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>6. Do you have a foreign bank account, trust, or business? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>7. Do you provide a home for or help support anyone not listed in Section 2 above? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>8. Did you receive any correspondence from the IRS or State Department of Taxation? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> | <p>9. Were there any births, deaths, marriages, divorces or adoptions in your immediate family? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>10. Did you give a gift of more than \$13,000 to one or more people? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>11. Did you have any debts cancelled, forgiven, or refinanced? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>12. Did you go through bankruptcy proceedings? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>13. (a) If you paid rent, how much did you pay? _____
(b) Was heat included? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>14. Did you pay interest on a student loan for yourself, your spouse, or your dependent during the year? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>15. Did you pay expenses for yourself, your spouse, or your dependent to attend classes beyond high school? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> |
|---|---|

10. Investments Sold

Stocks, Bonds, Mutual Funds, Gold, Silver, Partnership interest - Attach 1099-B & confirmation slips

Investment	Date Acquired/Sold	Cost	Sale Price
	/		
	/		
	/		
	/		

11. Other Income

List All Other Income (including non-taxable)

Alimony Received _____
 Child Support _____
 Scholarship (Grants) _____
 Unemployment Compensation (repaid) _____
 Prizes, Bonuses, Awards _____
 Gambling, Lottery (expenses _____) _____
 Unreported Tips _____
 Director / Executor's Fee _____
 Commissions _____
 Jury Duty _____
 Worker's Compensation _____
 Disability Income _____
 Veteran's Pension _____
 Payments from Prior Installment Sale _____
 State Income Tax Refund _____
 Other _____
 Other _____

12. Medical/Dental Expenses

Medical Insurance Premiums
 (paid by you) _____
 Prescription Drugs _____
 Insulin _____
 Glasses, Contacts _____
 Hearing Aids, Batteries _____
 Braces _____
 Medical Equipment, Supplies _____
 Nursing Care _____
 Medical Therapy _____
 Hospital _____
 Doctor/Dental/Orthodontist _____
 Mileage (no. of miles) _____

13. Taxes Paid

Real Property Tax (attach bills) _____
 Personal Property Tax _____
 Sales or excise tax paid on a new vehicle,
 motorcycle or mobile home purchased
 after 2/16/2009 _____
 Purchase price of new vehicle _____
 Other _____

14. Interest Expense

Mortgage interest paid (attach 1098) _____
 Interest paid to individual for your
 home (include amortization schedule) _____
 Paid to:
 Name _____
 Address _____
 Social Security No. _____
 Investment Interest _____
 Premiums paid or accrued for qualified
 mortgage insurance _____

15. Casualty/Theft Loss

For property damaged by storm, water, fire, accident, or stolen.
 Location of Property _____
 Description of Property _____

	Other	Federally Declared Disaster Losses
Amount of Damage	_____	_____
Insurance Reimbursement	_____	_____
Repair Costs	_____	_____
Federal Grants Received	_____	_____

16. Charitable Contributions

	Other	Federally Declared Disaster Losses
Church	_____	_____
United Way	_____	_____
Scouts	_____	_____
Telethons	_____	_____
University, Public TV/Radio	_____	_____
Heart, Lung, Cancer, etc.	_____	_____
Wildlife Fund	_____	_____
Salvation Army, Goodwill	_____	_____
Other	_____	_____
Non-Cash	_____	_____
Volunteer (no. of miles) _____ @ .14	_____	_____

17. Child & Other Dependent Care Expenses

Name of Care Provider	Address	Soc. Sec. No. or Employer ID	Amount Paid

Also complete this section if you receive dependent care benefits from your employer.

18. Job-Related Moving Expenses

Date of move _____
 Move Household Goods _____
 Lodging During Move _____
 Travel to New Home _____
 (no. of miles)

19. Employment Related Expenses That You Paid (Not self-employed)

Dues - Union, Professional _____
 Books, Subscriptions, Supplies _____
 Licenses _____
 Tools, Equipment, Safety Equipment _____
 Uniforms (include cleaning) _____
 Sales Expense, Gifts _____
 Tuition, Books (work related) _____
 Entertainment _____
 Office in home:
 In Square a) Total home _____
 Feet b) Office _____
 c) Storage _____
 Rent _____
 Insurance _____
 Utilities _____
 Maintenance _____

20. Investment-Related Expenses

Tax Preparation Fee _____
 Safe Deposit Box Rental _____
 Mutual Fund Fee _____
 Investment Counselor _____
 Other _____

21. Business Mileage

Do you have written records? Yes No

Did you sell or trade in a car used for business? Yes No

If yes, attach a copy of purchase agreement

Make/Year Vehicle _____

Date purchased _____

Total miles (personal & business) _____

Business miles (not to and from work) _____

From first to second job _____

Education (one way, work to school) _____

Job Seeking _____

Other Business _____

Round Trip commuting distance _____

Gas, Oil, Lubrication _____

Batteries, Tires, etc. _____

Repairs _____

Wash _____

Insurance _____

Interest _____

Lease payments _____

Garage Rent _____

22. Business Travel

If you are not reimbursed for exact amount, give total expenses.

Airfare, Train, etc. _____

Lodging _____

Meals (no. of days _____) _____

Taxi, Car Rental _____

Other _____

Reimbursement Received _____

23. Estimated Tax Paid

Due Date	Date Paid	Federal	State

24. Other Deductions

Alimony Paid to _____
Social Security No. _____ \$ _____
Student Interest Paid _____ \$ _____
Health Savings Account Contributions _____ \$ _____
Archer Medical Savings Acct. Contributions _____ \$ _____

25. Education Expenses

Student's Name	Type of Expense	Amount
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

26. Questions, Comments, & Other Information

Residence:
Town _____ County _____
Village _____ School District _____
City _____

27. Direct Deposit of Refund

Would you like to have your refund(s) directly deposited into your account?

Yes No

(The IRS will allow you to deposit your federal tax refund into up to three different accounts. If so, please provide the following information.)

ACCOUNT 1

Owner of account

Taxpayer Spouse Joint

Type of account

Checking Traditional Savings Traditional IRA Roth IRA
 Archer MSA Savings Coverdell Education Savings HSA Savings SEP IRA

Name of financial institution _____

Financial Institution Routing Transit Number (if known) _____

Your account number _____

ACCOUNT 2

Owner of account

Taxpayer Spouse Joint

Type of account

Checking Traditional Savings Traditional IRA Roth IRA
 Archer MSA Savings Coverdell Education Savings HSA Savings SEP IRA

Name of financial institution _____

Financial Institution Routing Transit Number (if known) _____

Your account number _____

ACCOUNT 3

Owner of account

Taxpayer Spouse Joint

Type of account

Checking Traditional Savings Traditional IRA Roth IRA
 Archer MSA Savings Coverdell Education Savings HSA Savings SEP IRA

Name of financial institution _____

Financial Institution Routing Transit Number (if known) _____

Your account number _____

To the best of my knowledge the information enclosed in this client tax organizer is correct and includes all income, deductions, and other information necessary for the preparation of this year's income tax returns for which I have adequate records.

Taxpayer

Date

Spouse

Date