

Specializing in Individual, Small Business, Non-profits, Estate & Trusts

2022 Form 1099 Engagement Letter

Business Name: _____, the "Business"

We are pleased to confirm our understanding of the arrangements for you regarding your Business' form 1099 return(s). This letter confirms the services you have asked our firm to perform and the terms under which we have agreed to do that work. Please read this letter carefully because it is important to both you and Metzger Tax Service LLC that you understand what you can and cannot expect from our services. If you are confused in any way with this letter or believe we have misunderstood what you need, please discuss this letter with us before you sign it.

The IRS requires that business owners file a Form 1099, in most cases by January 31, 2023, for every individual or non-corporate LLC that you paid over \$600 in 2022 for trade or business services. In addition, other specific form 1099's are due by March 31, 2023. If you pay a lawyer corporation for trade or business services, they must also receive the form. Failure to file the form for 2022 could result in a penalty that could be as much as \$1,000 per each omitted, late, or incorrect 1099. Failure to file or file after the due date can result in penalties that are so severe, we want to be very clear on the services we are providing, and what is expected.

Tax Preparer Responsibilities

We will prepare your 2022, and only your 2022 Federal 1099 solely from information you furnish us. We will not audit, review, compile or otherwise verify the data you submit although we may ask you to clarify some of the information. We are not responsible for the preparation of any forms or schedules except Forms 1099's for the individuals for whom you provide us a written summary in a separate format as listed below. ***Any other required services, forms or other actions on our part require a separate Engagement Letter. In the absence of written communications from us documenting such services, our services will be limited to and governed by the terms of this Engagement Letter.***

Taxpayer Responsibilities

Our recommendation to you is to not issue payments to any vendor without first obtaining a signed form W-9 from the vendor. This form can be found at www.irs.gov/pub/irs-pdf/fw9.pdf. **If you are in doubt whether to issue a 1099, the safest treatment is to issue the form. There is no penalty for providing a form 1099, only, penalties if you are required to provide a form and you do not.**

In order to timely file your 2022 Form 1099's addressed in this Agreement, you must provide us, **IN WRITING**, a complete list of payees by January 23, 2023 as follows, **for each payee:**

- Payee Name
- Payee Address
- Payee City, State, Zip
- Payee Federal ID Number (obtained by you via Form W-9)
- Amount paid in 2022 for non-employee compensation
- Amount paid in 2022 for Rent
- Amount paid during 2022 for other payments that require 1099 filings.

It is your responsibility to maintain the records, forms, documentation, Forms W-9 and copies necessary to file the 2022 Form 1099's. We will rely solely, without independent verification on the information you provide to us in writing.

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Business Representative Initials _____

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FEES ARE DUE AT THE TIME THE 1099 WORK IS COMPELTE. Should an account not be paid in full at the time of pick up, to the extent permitted by state law, an interest and/or service charge may be added to all accounts not paid within thirty (30) days. If you are delinquent in payment, your account may be subjected to collection actions and you will become additionally responsible for collection, legal, administrative, court and any other fees incurred by us in collecting your delinquent account.

Our fee for the preparation agreed to under this letter does not include responding to inquiries or examination by taxing authorities or third parties, for which you will be separately billed for time and expenses involved. However, we are available to represent you and our fees for such services are at our standard rates and would be covered under a separate Engagement Letter. You agree to immediately notify us upon the receipt of any correspondence for any agency covered by this letter.

In recognition of the relative risks and benefits of this agreement, You and Metzger Tax Service LLC (the Tax Firm) have discussed and have agreed on the fair allocation of risk between us. As such, You agree, to the fullest extent permitted by law, to limit the liability of the Tax Firm to You for any and all claims, losses, costs, and damages of any nature whatsoever, so that the total aggregate liability of the Tax Firm to You shall not exceed the Tax Firm's total fee for services rendered under this letter. You and the Tax Firm intend and agree that this limitation apply to any and all liability or cause of action against the Tax Firm, 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 error and omissions. The one-year period will begin upon the date of the tax professional's signature on the tax returns covered by this Engagement Letter.

This Engagement Letter represents the entire agreement regarding the services described herein and 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 the Tax Firm.

We appreciate the opportunity to serve You. Please date and sign the enclosed copy of this letter to acknowledge your agreement with and acceptance of your responsibilities and the terms of this engagement. It is our policy to initiate services after we receive the executed Engagement Letter. If any provision of this agreement is declared invalid or unenforceable, no other provision of this agreement is affected, and all other provisions remain in full force and effect.

Sincerely,

Metzger Tax Service, LLC

I have read the above terms of the Engagement Letter and agree with the terms of this engagement.

Name of Business

Name of Business Representative/Officer

Signature of Representative/Officer

Date