

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

NEW CLIENT
2024 Personal Income Tax Return Engagement Letter & Privacy Notification

Client Name(s): _____ (You)

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

We have reviewed our expenses which have increased tremendously due to regulatory compliance and general cost increases. We have also hired a consultant and have determined that Metzger Tax Service fees have been under market rate in past years. Your fees for completing this year's engagement will increase to cover our higher costs.

The Internal Revenue Service imposes penalties on taxpayers, and licensed preparers, for failure to observe due care in reporting for income tax returns. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom we prepare tax returns to confirm the following arrangements.

We are responsible for preparing only your 2024 tax filings from information you furnish us. We will prepare your Federal, State, and local returns as required based on data within W-2's, 1099's, and/or K-1's that you provide to us. We do not prepare any applicable sales tax, art tax, and non-sole proprietorship business tax filings. If you need assistance in other tax filings, we can discuss and agree to terms in a separate Engagement agreement. If you have taxable activity in any other jurisdictions, you are responsible for providing our firm with written information necessary to prepare any additional applicable state(s) or local income tax returns.

We will **not** audit, review, compile or otherwise verify the data you submit although we may ask you to clarify some of the information.

It is your responsibility to maintain, in your records, the documentation necessary to support the data used in preparing your tax returns, including but not limited to the auto, travel, entertainment, and related expenses and the required documents to support charitable contributions. If you have any questions as to the type of records required, please ask us for advice in that regard. It is also your responsibility to carefully examine and approve your completed tax returns before signing and mailing or instructing us to electronically file your returns with the tax authorities. **We are not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties, and interest.** We will rely, without further verification, upon information you provide to us from third parties including, but not limited to W-2's, K-1's, 1099's, 1098's, 1095's and receipts and similar items. **We are required to obtain a copy of Form W-2, 1099's and 1095 before we are allowed to file your returns.**

The U.S. Department of the Treasury and other governmental agencies are increasing enforcement of foreign financial interest and activity. If you have direct or indirect foreign financial interest and/or activity, reporting is required. This includes if you are an officer, director, or shareholder with respect to certain foreign corporations, foreign-owned U.S. corporation or foreign corporation engaged in a U.S. trade or business or U.S. transferor of property to a foreign corporation. **By your signature below**, you accept responsibility for informing us, in writing, if you believe you fall into any of the above categories and you agree to provide us in writing the information necessary to prepare the appropriate forms. We assume no liability for penalties associated with the failure to file or untimely filing of any of these matters.

See Next Page

Client Initials _____

Page 1 of 6

Crypto currency: Congress and the IRS are very aggressively pursuing crypto currency activity, reporting and tax situations. The reporting of crypto currency activity of any type, including sales, staking, mining, lending, NFT activity, trades and other activities must be reported on your return. Also, crypto currency activity may require reporting on returns of foreign countries. We have not determined if such returns are due nor have we been hired to determine filing requirements or to file any tax returns for foreign countries. By your signature below, you acknowledge that you have reported all crypto currency activity in writing to us.

By your signature below, you acknowledge that you have reported all 2024 income you received including all tip, unemployment, disability, monetary legal settlements, barter, consumer-to-consumer activity, cash-based income, and all other income whether received in-person, in-kind, or electronically. You also confirm that you have or will timely file any applicable required Forms W-2 and W-3 with the Social Security Administration and IRS for business employees or home-workers.

We will use our professional judgment in preparing your returns. Whenever we are aware that a possible applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts), 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 with the codes, regulations, and interpretations that have been promulgated. If the Internal Revenue Service should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional penalties or assessments.

Special privacy laws were established by the IRS prohibiting us from providing confidential copies of information to anyone other than you without your specific, written authorization. Please expect to provide that written authorization before we can release any of your confidential information.

If we are asked to disclose any privileged communication, unless we are required to disclose the communication by law, we will not provide such disclosure until you have had an opportunity to argue that the communication is privileged. You agree to pay any and all reasonable expenses that we incur, including legal fees, which are a result of attempts to protect any communication as privileged. In addition, your confidentiality privilege can be inadvertently waived if you discuss the contents of any privileged communication with a third party, such as a lending institution, a friend, or a business associate. We recommend that you contact us before releasing information to a third party.

It is our policy to keep records related to this engagement for three years after which they may be destroyed. However, we do not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect them for possible future use, including potential examination by any government or regulatory agencies. We recommend that you keep these records for at least **seven** years.

In the interest of facilitating our services to you, we may communicate by facsimile transmission, email, or a secure web portal. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, You recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent and consent to our use of these devices during this engagement. Please provide us with a secure email address and secured voice mail.

From time to time during our relationship, you may seek our advice regarding potential investments. We are not investment advisors. Accordingly, we suggest that you seek the advice of qualified investment advisors appropriate to each investment being considered.

If you are placed on an extension, this extension is an extension to file, NOT AN EXTENSION OF TIME TO PAY. You should include an estimate of any balance due with the extension or **penalties and interest** will be charged until your payments are received by the IRS and State(s). **Upon receipt of a signed Engagement Letter, we will file an extension for you.**

See Next Page

Client Initials _____

Page 2 of 6

PLEASE COMPLETE

Legal Name as shown on your Social Security card and your Social Security number (both if joint return)

We will need a copy of a government issued identification for each of you:

Taxpayer

Spouse

Name: _____

Social Security Number: _____

Best phone number: _____

This is the phone number that we will call when your returns are completed. If we do not get an answer, we will leave a message for you. You acknowledge that you check messages regularly.

Best email: _____

Marital Status: _____ (If not previously provided, we need copies of all parties Driver Licenses)

Address to use on tax returns: _____

Dependent names and Social Security Numbers – We will need both a copy of each dependents birth certificate and Social Security card.

At what address did you physically work during 2024? If multiple locations, please list addresses and percentage of days worked at each location:

Taxpayer: _____

If, married – Spouse: _____

Please check the appropriate box for each of the following questions as they pertain to you and the family members included on your 2024 tax returns.

YES NO

Did your marital status change during the year?

Could you be claimed as a dependent on another person's tax return?

Do you have dependents who you wish to claim on the 2024 tax returns? If Yes, please share with us each dependent's first name _____. If not previously provided, we need copies of both birth certificate and Social Security cards for each.

See Next Page

Client Initials _____

Page 3 of 6

YES **NO**

- Did you make any 2024 estimated tax payments? If so, please provide a schedule to us.
- Did you receive or pay alimony (we need a copy of your divorce decree if not already in our files).
 If alimony was paid, how much was paid _____?
 If alimony was received, how much was received _____?
- Did you have gambling winnings?
 If yes, did your losses exceed winnings? Yes No – What were your losses \$ _____
- Did you have health insurance acquired through the Marketplace for any time in 2024?
 If insurance is provided through your employer or you have Medicare – check NO.
- Did you purchase, sell, or refinance your principal home or second home, or did you take out a home equity loan? Please provide the final closing Settlement Statement.
 Purchase Sell Refinance Obtain a HELOC or second mortgage
- Do you have a reverse mortgage?
- Outside of your retirement and investment brokerage accounts, did you buy or sell any stocks, bonds, or other investment property?
- Did you contribute to a retirement plan (401(k), IRA, etc.)?
- Did you receive a distribution from a retirement plan (401(k), IRA, etc.)?
- Did you transfer, rollover, or convert any retirement funds in 2024?
- Did you make any Qualified Charitable Distribution (QCD) through your retirement withdrawals?
- Did you receive a distribution from a Health Savings Account?
 YES NO N/A
 If a distribution was received, was the entire withdrawal for qualified medical costs?
- Did you have any debt canceled and/or were you involved in any bankruptcy proceedings?
- At any time during 2024, did you (a) receive (as a reward, award, or payment for property of services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset), including what is commonly known as virtual currency?
- At any time during 2024, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country?
- During 2024, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust?
- Are you an educator who is a kindergarten through grade 12 teacher, instructor, counselor, principal or aide who worked in a public or private school for at least 900 hours during the school year? How much were your out of pocket classroom costs \$ _____
- Was your home rented out or used for business?
- Were you notified or audited by either the IRS or the State taxing agency?
- Were you a full year resident in Oregon in 2024? If not, what State(s) and what date(s) were in living in other state(s)? _____

See Next Page

Client Initials _____

YES NO

- Did you, your spouse, or a dependent incur any tuition expenses that are required to attend a college, university, or vocational school? We will need details of these expenditures and Form 1098-T from the school. Who incurred tuition expenses? _____
Has this person received an undergraduate degree? If so, When? _____
- Did you incur any child-dependent care costs while you were looking for, or working, a paid job?
- Would you like to **voluntarily** inform the State of Oregon of Your race and ethnicity. **If YES, please ask our staff for a separate form to share your data.**
- Did you incur any child-dependent care costs while you were looking for, or working, a paid job?
- May the IRS and State(s) discuss your tax return with Metzger Tax Service LLC?
- Did you receive a PIN number from the IRS? If yes, we must have the letter from the IRS.
- If you are an owner of a business** – self-employed, partnership, or Sub Chapter S business and We are completing your tax filings for this business, please indicated by checking the YES box and completing a business engagement letter.

Whenever possible, your returns will be electronically filed after we receive your signed authorization and payment for our services. We highly recommend that you come into the office to sign your completed tax filings. Many tax forms require you to mail to the tax agencies. If you choose to DocuSign your tax forms, you will be responsible for printing and mailing non-electronic filed tax forms.

YES NO

- Do you want to DocuSign **instead of receiving a paper copy of your returns**? An additional fee of \$25 will be added to your preparation invoice. We will not send DocuSign activity to you until our tax preparation invoice is paid in full, An electronic copy of your tax returns will be in our secure web portal. **If YES, you will be responsible for printing, mailing non-electronic filed tax forms and paying any tax obligations.**

OR

- Would you like a paper copy of the return? Not available if you choose to DocuSign.

FEES ARE DUE AT THE TIME YOU PICK UP YOUR RETURN OR WITHIN 30 DAYS OF COMPLETION, WHICHEVER IS EARLIER. Tax returns will not be electronically filed or released until payment in full has been made. The individual signing this agreement will be liable for our fee. Should an account not be paid in full at the time of pick up, to the extent permitted by state law, interest and/or a service charge may be added if 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 fees for the tax preparation agreed to under this letter DO NOT include responding to inquiries or examination by taxing authorities or third parties. You will be billed separately for our time and expenses involved should we be asked to respond. There will be additional fees for work related to withholding calculations, estimated tax vouchers for extensions, payment plan set up, tax planning, and answering and researching letters from the IRS and other tax agencies.

See Next Page

Client Initials _____

Page 5 of 6

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 applies 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 the Tax Firm for errors 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 this letter to acknowledge your agreement with and acceptance of your responsibilities and the terms of this engagement. 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, the Taxpayer-Client, have read the above terms of the Engagement Letter and agree with the terms of this engagement.

Signature of Taxpayer

Date

By: _____
Print name of Taxpayer