RCB Tax USA
Tax Division of RCB CPA PLLC
Year-Round Tax Services

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TAX RETURN/s PREPARATION ENGAGEMENT LETTER

Welcome to RCB TAX USA, Tax Division of RCB CPA PLLC

Tax Year: Select Year

Please Fill-In Above

Subject: Preparation of Your Tax Return/s – Client Service Agreement

Dear CLIENT: (Name:) _____

Thank you for selecting **RCB TAX USA (Tax Division of RCB CPA PLLC)** to assist you in **"preparation only"** of your **Captioned / Requested Tax Year** (Federal & State/s specifically applicable to your case, including Federal and/or State/s Extensions / Amendment/s when required, but not of any local city except for New York City, where applicable) income tax returns. This letter confirms the terms of our engagement with you and the nature and extent of services we will provide.

(1) Your Responsibility As A Client

It is your responsibility to provide required "accurate & complete" information for preparation of your tax returns in a timely and efficient manner and within stipulated deadline/s. You should keep with you, originals (and if required, copies) of all documents, canceled checks and other data that support your reported income/s and deduction/s. They may be necessary to prove accuracy and completeness of the returns to a taxing authority. You are responsible for your returns, so you should review your entire tax returns carefully before signing them.

If you have shares/stocks/mutual funds/bonds sale activity during the year, you will be responsible to submit to the IRS, itemized sale details with the corresponding purchase details. We will incorporate summary of your stock gains/losses (provided by you separately for short term and long term) for the year in your tax returns, and even though your tax returns may be efiled, you will have to send by postal mail, the itemized details of stock sale activities and the resultant gains and/or losses thereon during **the tax year** to the IRS. Similarly, for your business activity, you will provide a detailed Profit and Loss in the format the IRS requires and give it to us. For rental real estate, you will be responsible to complete the details in the format the IRS requires. We may not need supporting receipts or vouchers, but you will need to keep them with you for your stock, business or rental real estate activity.

The law imposes penalties when taxpayers understate their tax liability. IRS and/or State Income Tax randomly select some returns for tax examination/audit. Your returns may be selected for examination/audit by a taxing authority. It is the client's responsibility to pay interest and/or penalty, if assessed by the IRS/State. Any proposed IRS/State adjustments are subject to appeal. In the event of a tax examination/audit, we may arrange for ourselves to be available to represent you. Such representation will be a separate engagement for which an engagement letter and our fee quote will be provided to you. Fees and expenses for defending the returns will be invoiced in accordance with the terms we agree on for that engagement.

Please be aware of your "personal" responsibility (independent of this tax return and not being part of this tax return preparation) to inform to us and report to IRS, in appropriate IRS Tax FBAR Form FinCEN 114 (previously TD F 90-22.1), your financial interest in or signature or other authority over bank accounts, securities or other financial **accounts having a value equal to and/or exceeding US$10,000/- in a foreign country**. The same requirement applies to your direct or indirect control over financial accounts. If you are an officer, director or (10% ownership) shareholder in a foreign corporation, you may be required to file IRS Form 5471.

If you "live in the USA" and own "foreign financial **assets**" worth more than $50,000 at **Dec. 31 of the Current Tax Year,** or more than $75,000 at any time during **the Current Tax Year** as Single/MFS (MFJ $100,000 at **Dec. 31 of the Current Tax Year,** or more than $150,000 at any time during **the Current Tax Year)**, you are required to include in your **Current Tax Year** Federal tax return, IRS Form 8938 under the IRS rules of "FATCA".

For the updated FBAR & FATCA Reporting threshold amounts of foreign financial assets, please refer to the updated IRS Rules by visiting their website. www.IRS.gov

https://www.irs.gov/businesses/small-businesses-self-employed/report-of-foreign-bank-and-financial-accounts-fbar

https://www.irs.gov/businesses/corporations/summary-of-fatca-reporting-for-us-taxpayers

The IRS mandates to include your global **income** (equivalent of **US$ 0.50 or higher**) in your Resident Income Tax Return, **and** report existence of your "any" **Foreign Bank (Financial) Account/s irrespective of the amount therein** and whether such Account/s generate any income or not.

If you owe any sales or use tax to any State/s, please pay tax due and file on your own, appropriate tax return with the relevant State/s.

(2) Our Role as Tax Preparers

We will **prepare** your **Requested Tax Year** federal and all relevant and required state income tax returns at your request, using information you provide to us. We may ask for clarification of some items, but we will not audit or otherwise verify the data you submit, or prepare accounts on your behalf.

Our work will not include any procedures to discover defalcations or other irregularities or any accounting or analysis work.

We will use our judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. Unless you instruct us otherwise, we will apply the "realistic possibility of success" standard to resolve such issues in your favor where possible. If required, we may need to get tax research opinion at your cost to establish clarity of a tax position.

State Tax Returns will not include tax return for any other city or local town except for New York City, where applicable. The clients should check with their local city/town tax office and take necessary steps on their own to comply with their tax filing requirement/s.

We prepare only "income tax" returns for Federal and States. We are not responsible for any other type of "non Income Tax" related State Tax Return/s e.g. Homestead Rent/Property Rebate in NJ or in other states. Also, some States who may combine their other tax aspects with income tax in their State Income Tax Forms do not allow to E-File unless all other non-income tax related aspects are marked off "No", and since we E-File all State Tax Returns, if a Client wants to mail such tax returns, it will have to be separately requested at the time of the original request. There is a $50 additional handling fee for such tax return/s. As a normal practice, we E-File all State Income Tax Returns, if permitted by the State/s under their rules. Non EFile may be subjected to penalty by the Tax Authorities.

We may refuse to prepare and/or sign a tax return/s if there is a disagreement with you over a tax position and/or our fees are not paid by you and/or under other circumstances which may develop during your tax return/s preparation process.

We do not mail any client's tax returns and/or do not photocopy any tax or other documents on behalf of any client.

(3) Our Fees

Our fee for preparation of your tax returns (**excluding** FBAR FinCEN114 and/or FATCA Form 8938 which require additional fees) will be based either on the amount of time required at standard billing rates or fees per form basis or a combination of both, plus out-of-pocket expenses. We may provide you estimate of your fees and only upon your payment of the same, proceed to work. All invoices for balance fees are due and payable upon presentation after adjusting for some partial "non-refundable" fees (80% to 100% of total fees) paid in advance. To the extent permitted by the state law, an interest charge and/or our own late payment surcharge for each week of delay, may be added to all accounts not paid within five (5) days. There is a $50/ fee for your "each" check dishonored/returned/rejected by your bank.

Fees quoted to you and this engagement itself are for **the Current Tax Year as shown on top of the page 1 of this TREL** income tax return/s preparation ONLY. If you need any tax planning advice or any other tax or non-tax related service/s, or any accounting or analysis work, please speak to us for a separate fee quote. Also, fees quoted are for preparing tax returns using only one type of tax filing status you desire. E.g. If Married Filing Joint status is desired, this will not automatically include work relating to preparing the same return using married filing separate or head of household status etc. Such "extra" work will have to be separately requested by the client/s for which separate fees will be payable by the client/s.

Our fees are based on the assumption that the Clients have given all the required tax information and tax documents in the first meeting/request. If additional information / documents are subsequently given, additional fees as determined by us will have to be paid not only for additional work but also to compensate us for avoidable interruption/s and for being in and out of the same tax return more than once.

Please keep all your original tax documents always with you and provide us with only photocopies, unless otherwise specifically requested. Also, please keep with you a set of all tax documents you give us. Your request for tax documents retrieval will be considered an interruption in tax return work and will attract fee/s. Retrieval of your tax returns/tax documents from us will attract fees.

As a service to our clients, when federal/state tax returns are otherwise ready, we may perform a customized "complimentary" sensitivity analysis for potential tax savings through IRA and recommend the amount of IRA suited to give you the optimum tax savings. Whereas this sensitivity analysis does not cost anything to the client, if the client wants to avail of the IRA deduction / benefit, it requires additional work to complete the tax return for which an additional fee of $50/ per "each" IRA a/c is levied.

For additional follow-up relating to your E-File Confirmation and/or refund, please phone IRS at 1-800-829-1040. We will attempt to E-file. If IRS/State/s repeatedly rejects E-File, we will inform the client/s and clients may have to mail those tax returns which are beyond the Efile. We may not E-File tax returns not allowed by the Tax Rules and/or by the Tax Software. Clients will have to mail such tax returns. Non EFile may be subjected to penalty by the Tax Authorities.

(4) Tax Refund / Tax Due:

Upon completion of your tax return, you may get a tax refund or may have tax due to the IRS and/or State/s. We DO NOT guarantee any outcome of tax refund / tax due or size of its amount or guarantee your expectation of tax refund and/or tax due either to the IRS or State/s. Also, we DO NOT guarantee tax refund or tax due for the current year being comparable to that of your last year/s or what your other friends or relatives have received/paid.

Your tax returns will be prepared and based SOLELY on your current year tax documents and information you provide and we will apply valid, legal and legitimate deductions and credits you are entitled to. Tax refund / Tax Due and the size of tax refund / tax due have a lot to do with your income, filing status, numbers and ages of dependents, amount of tax already withheld and a host of your other tax events which may be different from year to year.

(5) Our Record Retention Policy

We will accept and retain copies (NO ORIGINALS) of records you supplied to us along with our work papers for your engagement for a period of ONLY **for the duration prescribed by the IRS for the Tax Return Preparer/s, from the date of us receiving the same**. You should keep the original records and/or copies thereof with you in a secure storage as long as the US income tax laws mandate. Retrieval of your tax returns/tax documents from us will attract fees.

(6) Our Privacy Policy

We DO NOT disclose any non-public personal and / or financial information about our clients (current or former) to anyone, except as authorized by such clients in respect of their own personal and/or financial information, or except as required by the law.

We also restrict access to the said non-public personal and / or financial information of all clients within our office to only those who need to do any kind of work on your tax returns. We maintain strict physical, electronic and procedural safeguards to protect your non-public personal and / or financial information.

(7) Limitation of Use and Distribution of the Tax Returns prepared by us

Your Federal and State/s tax returns have been prepared by us based on the tax documents and information provided by you solely for the purpose of your tax compliance with the IRS and the State/s, and help you discharge your obligation of filing your income tax returns. We cannot accept any liability (Indemnification and Hold-Harmless) if you submit these tax returns to third parties for any reason as such or in lieu of your financial statement/s.

(8) Limitation of Liability

RCB CPA PLLC's (Tax Division RCB TAX USA) liability to the client under this Engagement Letter shall be limited to and not to exceed the aggregate amount of fees received by us from the client for this specific engagement. In no event will we be liable for any consequential, incidental, indirect, special or punitive damage, lost business, lost profits or lost savings, even if it has been advised of their possible existence.

(9) Jurisdiction

Notwithstanding anything contained herein, both you and we agree that regardless of where this Engagement Letter (Client Service Agreement) is physically signed, this Engagement letter (Agreement) shall have been deemed to have been entered into Nassau County (Long Island), New York State, USA, **and** Nassau County (Long Island), New York State, USA shall be the exclusive jurisdiction for resolving disputes related to this Engagement Letter. This Engagement Letter (Agreement) shall be interpreted and governed in accordance with the Laws of the New York State.

(10) Electronic Communication/s

In connection with this engagement, we may communicate with you or your authorized representative/s via email transmission/s with PDF attachments which may be encrypted with password. As emails can be intercepted and read, disclosed or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant the emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regards, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits or disclosure or communication of confidential or proprietary information.

(11) Your Confirmation of Understanding and Acceptance

To indicate that this letter correctly summarizes your understanding of the arrangements for this work, please sign this letter in the space indicated and return it to us.

We appreciate your confidence in us.

Sincerely,
RCB TAX USA
Tax Division of RCB CPA PLLC

Email: **RCB.TAX.USA@GMAIL.COM**

Website: **WWW.RCB-TAX-USA.COM**

My / Our signature(s) below confirms that I/we have read, understood and voluntarily agree to the terms of this Engagement Letter (Client Service Agreement).

(Both Tax Payer and Spouse must sign for preparation of joint returns)

Accepted By:

A - (Tax Payer) _____
(**Tax Payer Signature**)

Name: **(Tax Payer)** _____
(**Tax Payer Name**)

B - (Spouse) _____
(**Spouse Signature**)

Name: **(Spouse)** _____ **Date:** _____
(**Spouse Name**) **MM/DD/YYYY**