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### Required Engagement Letter

Thank you for choosing Tax Happens LLC to assist you with your taxes. This letter confirms the terms of our engagement with you and outlines the nature and extent of the services we will provide.

We will prepare your federal and, if applicable state income tax returns. We will depend on you to provide the information we need to prepare complete and accurate returns. We may ask you to clarify some items but will not audit or otherwise verify the data you submit. **Please utilize our Organizer(s) to help you collect the data required for your return. The Organizer will help you avoid overlooking important information. By using it, you will contribute to the efficient preparation of your returns and help minimize the cost of our services.**

We will perform accounting services only as needed to prepare your tax returns. Our work will not include procedures to find defalcations or other irregularities. Accordingly, our engagement should not be relied upon to disclose errors, fraud, or other illegal acts, though it may be necessary for you to clarify some of the information you submit. We will inform you of any material errors, fraud, or other illegal acts we discover.

Should we encounter instances of unclear tax law, or of potential conflicts in the interpretation of the law, we will outline the reasonable courses of action and the risks and consequences of each. We will ultimately adopt, on your behalf, the alternative you select.

We determine our fees for preparation of your return once we receive all the information needed to prepare your return. We require a 50% deposit to begin and the balance when we provide you with a draft or two weeks after requests for additional information go unanswered by you. If a material number of additional documents and information, that impact the return, are provided after we determine our fee there may be additional fees. It is very rare that we must charge additional fees and we will let you know if there will be additional fees and how much when the applicable information is received. **To avoid additional fees please complete the client organizer and provide all documents as soon as possible. If you don't have all information just let us know what, if anything, is missing.**

We will return your original records to you at the end of this engagement. Store these records, along with all supporting documents, canceled checks, etc., in a secure location in case these items are needed later to prove accuracy and completeness of a return. We retain copies of your records and our work papers for your engagement for seven years, after which these documents will be destroyed.

Our engagement to prepare your tax returns will conclude with the delivery of the completed returns to you (if paper-filing) or your signature and our subsequent submittal of your tax return (if e-filing). If you have not selected to e-file your returns with our office, you will be solely responsible to file the returns with the appropriate taxing authorities. Review all tax-return documents carefully before signing them. Our engagement DOES NOT include audit support. We will review and discuss all tax notice related to this tax year at no additional charge to you. Any notice that will require additional work will require additional fees for services. These fees will be determined and discussed prior to us completing any additional work.

It is your responsibility to review your returns before they are filed to determine that all income has been correctly reported and that you have substantiation for your deductions. You must pay the balance owed for our services and provide a signed e-file authorization to assure the return is filed by the due date. Tax returns are due the 15<sup>th</sup> day of the 3<sup>rd</sup> or 4<sup>th</sup> month following the close of the tax year. To assure completion of your **personal return (Form 1040)** by the April 15 due date **we must have all information by March 15**. To assure completion of your personal return by the extended deadline of October 15 we must have all information by **September 15**. To assure completion of your **business return (Form 1120S, 1065 or 1120)** by the March 15<sup>th</sup> due date **we must have all information by February 15<sup>th</sup>**. To assure completion of your business return by the extended due date of September 15<sup>th</sup> we must have all information by **August 1<sup>st</sup>**. If you know you will need an extension, please let us know now. **An extension gives you additional time to file your tax return. An extension DOES NOT extend the time to pay the taxes owed. Penalties and interest are applied to taxes paid after the April 15th due date. If you need an extension and think you may owe please give us as much information as you can or let us know how much, if any, you can pay with the extension.**

To affirm that this letter correctly summarizes your understanding of the arrangements for this work, sign the enclosed copy of this letter in the space indicated and return it to us in the envelope provided.

Thank you for the opportunity to be of service. If you have any questions, contact our office at (813)304-5569.

Theresa Turner  
Tax Happens LLC  
(Both spouses must sign for preparation of joint returns.)

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

Accepted By:

Accepted By:

\_\_\_\_\_  
TAXPAYER 1

\_\_\_\_\_  
DATE

\_\_\_\_\_  
TAXPAYER 2

\_\_\_\_\_  
DATE

# 2018 Individual Taxpayer Organizer

<b>Taxpayer</b>				SSN	
<i>First</i>	<i>M.I.</i>	<i>Last</i>	Email		IP PIN
Occupation		Date of birth		Are you new to our firm? Yes No	
Address		City		State	Zip
County		Home phone		Work or cell	
Driver's License	No.	State		Issue Date	Exp. Date

<b>Spouse</b>				SSN	
<i>First</i>	<i>M.I.</i>	<i>Last</i>	Email		IP PIN
Occupation		Date of birth		Are you new to our firm? Yes No	
Address <small>(If different from Taxpayer)</small>		City		State	Zip
County		Home phone		Work or cell	
Driver's License	No.	State		Issue Date	Exp. Date

If you moved during 2018, enter your previous address.				Date of move	
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Marital status at 12/31/18: Single Married Separated Widow(er) Registered Domestic Partnership (RDP) Unsure  
 Were you divorced or separated during the year? Yes No      Were there any deaths in the family? Yes No  
 Individuals who are in registered domestic partnerships (RDPs) and civil unions are not considered married for federal tax purposes.  
 Have you received any notice from the IRS or state revenue department within the past year? Yes No

Names of dependent children <i>Child's full name</i>	Social Security #	IP PIN	Date of birth	Months lived in home in 2018	Relationship to taxpayer	College student?

Did any of the children have income above \$1,050 for the year? Yes No      Do any of the children have a disability? Yes No  
 Is it anticipated that a different taxpayer will seek to claim a child listed above as their dependent for tax year 2018? Yes No

<b>Other dependents or people who lived with you</b>					
Name	Social Security #	IP PIN	Date of birth	Relationship	Income

If you are due a refund, would you like it directly deposited into your bank account? <i>Name of bank</i>					
Checking	Savings	Routing transit number		Account number	

Ask your tax preparer for information about depositing a refund into an IRA account or splitting the deposit into more than one account.

# Questions — All Taxpayers

(Provide related statements or other documentation.)

"You" refers to both taxpayer and spouse — enter "?" if unsure about a question.

LIFESTYLE & TAXES	Yes	No	Are either you or your spouse legally blind?					
	Yes	No	Did you pay or receive alimony in 2018? <i>Paid/Received</i> \$		<i>Recipient's SSN</i>			
	Yes	No	Did you have health insurance for you, your spouse, and all dependents for the entire year?					
	Yes	No	Did you purchase health insurance through a public exchange?					
	Yes	No	Will there be any significant changes in income or deductions next year, such as retirement?					
	Yes	No	Have you paid alternative minimum tax (AMT) in previous years?					
	Yes	No	Did you pay anyone for domestic services in your home?					
	Yes	No	Did you purchase a new energy-efficient car, truck, or van?					
	Yes	No	Are you involved in bankruptcy, foreclosure, repossession, or had any debt (including credit cards) cancelled?					
	Yes	No	Are you a member of the military?					
	Yes	No	Were you a citizen of or lived in a foreign country?					
	Yes	No	Do you own or have financial interest in a foreign bank or financial account?					
	Yes	No	Would you like to allow your tax preparer or another person to discuss your return with the IRS? <i>Designee's name</i> _____ <i>Phone number</i> _____ <i>PIN (any five digits)</i> _____					
CHILDREN & EDUCATION	Yes	No	Were any children born or adopted in 2018? (Provide statement for other expenses.)					
	Yes	No	Were any children attending college?	<i>Year in college</i>	Paid by you: <i>Tuition</i> \$		<i>Student loan interest</i> \$	<i>Books</i> \$
					Paid by student: <i>Tuition</i> \$		<i>Student loan interest</i> \$	<i>Books</i> \$
	Yes	No	Did you pay any tuition for a private school for a dependent or take classes yourself?					
			<i>Student</i>			<i>Amount paid</i> \$		
			<i>Name and address of school</i>					
	Yes	No	Did you pay for child or dependent care so you could work or go to school? (add statement if needed)					
			<i>Name of provider</i>			<i>EIN or SSN</i>		
<i>Address</i>			<i>Amount paid</i> \$					
Yes	No	Do you have any children who earned more than \$2,100 of investment income?						
Yes	No	Did you make any contributions to a 529 plan in 2018?						
INVESTMENTS	Yes	No	Did you, or will you, contribute any money to an IRA for 2018?			Traditional IRA	Roth IRA	
	Yes	No	Did you roll over any amounts from a retirement account in 2018?					
	Yes	No	Did you sell or transfer any stock or sell rental or investment property?					
	Yes	No	Did you receive any income from an installment sale?					
	Yes	No	Did you have any investments become worthless or were you a victim of investment theft in 2018?					
	Yes	No	Were you granted, or did you exercise, any employee stock options during 2018?					
DEDUCTIONS	Yes	No	Did you pay any interest on a loan for a boat or RV that has living quarters? If yes, provide details.					
	Yes	No	Did you pay sales taxes on a major purchase in 2018, such as a vehicle, boat, or home?					
	Yes	No	Did you make any charitable contributions in 2018?					
BUSINESS	Yes	No	Did you work from a home office or use your car for business?					
	Yes	No	Did you receive income from a sharing/gig economy activity (e.g. Airbnb, Uber, etc.)					
	Yes	No	Do you own a business or an interest in a partnership, corporation, LLC, farming activities, or other venture?					
HOME	Yes	No	Did you purchase or sell a main home during the year? If yes, provide closing statement.					
	Yes	No	If you sold a home, did you claim the First-Time Homebuyer Credit when it was purchased? If yes, provide details.					
	Yes	No	Did you refinance a mortgage or take a home equity loan? (Provide closing statement)					
	Yes	No	Did you use any mortgage loan proceeds for purposes other than to buy, build, or substantially improve your home?					
	Yes	No	Did you make any new energy-efficient improvements to your home? If yes, provide details.					

**State information**      Full-year resident      Part-year resident      Nonresident

States of residence during 2018 and dates

School district

Do you rent or own your home?      Rent      Own

# Income Worksheet

Provide to your preparer all Forms W-2, 1099-INT, 1099-DIV, 1099-R, 1099-MISC, and other income reporting statements. Do not list dollar amounts for the following forms. Your preparer will report the appropriate amounts.

Indicate "T" for taxpayer, "S" for spouse, "J" for joint

Provide additional statements if more room is needed

## Forms W-2—Wage and Tax Statement

T/S	Employer name	T/S	Employer name
	1)		4)
	2)		5)
	3)		6)

## Forms 1099-INT—Interest Income

T/S/J	Name of issuer	T/S/J	Name of issuer
	1)		4)
	2)		5)
	3)		6)

## Forms 1099-DIV—Dividends and Distributions

T/S/J	Name of issuer	T/S/J	Name of issuer
	1)		4)
	2)		5)
	3)		6)

## Forms 1099-R—Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, Etc.

T/S	Name of issuer	T/S	Name of issuer
	1)		4)
	2)		5)
	3)		6)

If the distribution is before age 59½, give a reason to determine if an exception to penalty applies.

## Tax-Exempt Interest (such as municipal bonds—include statement)

Payer	\$	Payer	\$

## Other Income

State tax refund	\$	Unreported tips	\$
Alimony	\$	Other	\$
Unemployment compensation	\$		\$
Social Security (taxpayer)—provide SSA-1099 or RRB-1099	\$		\$
Social Security (spouse)—provide SSA-1099 or RRB-1099	\$		\$
Business income (see <i>Sole Proprietorship Tax Organizer</i> )		Stock sales	See "Sales and Exchanges Worksheet" below.
Rental income (see <i>Rental Property Tax Organizer</i> )		Sale of other property	

# Sales and Exchanges Worksheet

Provide information about sales of stock, real estate, or other property, along with Forms 1099-B, 1099-S, or other supporting statements.

Description of property	Purchase date	Cost/basis	Sale date	Sale price
		\$		\$
		\$		\$
		\$		\$

## Notes:

- When stock is sold, you will usually receive Form 1099-B, *Proceeds From Broker and Barter Exchange Transactions*, reporting the proceeds from the sale. However, your statement will not always provide the cost/basis information necessary to compute gain or loss. If the statement does not contain the cost/basis information, you must provide it. You may need to contact your broker for questions about cost/basis and purchase dates of your stock accounts.
- Often, "transfers" of stock or mutual funds within a brokerage account are actually sales of one type of stock and purchase of another. Even if you did not receive any cash from the transaction, you may have taxable gain or loss.
- If your stock dividends are automatically reinvested, the dividends will be taxable even though you did not receive any cash. The transaction is treated as if you had received cash and purchased additional stock. When the stock is sold, the amount reinvested over the years is taken into account. You may need to contact your broker for questions about the amount of reinvested dividends.
- If you sold property other than stock, your taxable gain or loss will be determined by your cost/basis. The cost/basis is usually the original purchase price plus improvements (the cost of repairs and maintenance are not taken into account for cost/basis).

## Itemized Deductions Worksheet

Deductions must exceed \$12,000 Single, \$24,000 MFJ, \$18,000 HOH, or \$12,000 MFS to be a tax benefit.

**Medical Expenses.** Must exceed 7.5% of income to be a benefit—include cost for dependents—do not include any expenses that were reimbursed by insurance.

Dentists	\$	Hospitals	\$
Doctors	\$	Insurance	\$
Equipment	\$	Prescriptions	\$
Eyeglasses	\$	Other	\$
Medical miles: _____ @ 18¢			

**Taxes Paid.** Do not include taxes paid for full or partial business or rental-use property, including business use of the home.

State withholding	<i>Reported on W-2</i>
State estimated taxes—paid in 2018	\$
Real estate tax—residence	\$
Real estate tax—other	\$
Personal property taxes	\$
Property tax refund—received in 2018	\$ (      )
Foreign tax paid	\$
Other	\$
Other	\$
Other	\$
Balance paid in 2018 from prior year state returns (do not include interest or penalties)	\$
Did you keep receipts for sales tax paid during 2018?	Yes No
Did you purchase a car, plane, boat, or home in 2018?	Yes No
Sales tax paid \$	Purchase paid \$      Date

**Interest Paid.** Do not include interest paid for full or partial business or rental-use property, including business use of the home. Provide all Forms 1098 or lender information and ID numbers.

Main home	\$	Equity loan	\$
Second home	\$	Equity loan	\$
Points	\$	Investment interest	\$

Did you pay a mortgage insurance premium when you purchased your home? Amount \$      Date

**Charitable Contributions.** If over \$500 in noncash charitable contributions, provide details of contributions. Rules require that the taxpayer retain documentation for all cash contributions.

Cash	\$
Noncash contributions (FMV). Clothing or household items must be in good used condition or better.	\$
Did you transfer funds from an IRA directly to a charity? Yes No	\$
Charitable mileage	

### Casualty and Theft Losses

If you suffered any sudden, unexpected damage or loss of property, or a theft in a federally-declared disaster area, provide details to your tax preparer. Yes No

**Miscellaneous Itemized Deductions.** Miscellaneous itemized deductions subject to the 2% AGI limitation are no longer deductible on the federal return. However, these expenses may still be deductible on your state return. For use of home, auto mileage, or other job-related expenses, provide information on a separate sheet. Were any expenses reimbursed by your employer? Yes No

Dues	\$	Subscriptions	\$
Investment expenses	\$	Supplies	\$
Job education	\$	Tax prep fees	\$
Job seeking	\$	Tools	\$
Legal fees	\$	Uniforms	\$
Licenses	\$	Union dues	\$
Safety equipment	\$	Other	\$

**Other Deductions.** The following deductions are not subject to a 2% of income limit.

Gambling losses	\$	Federal estate tax on IRD	\$
Impairment-related expenses	\$	Loss from box 2, K-1, Form 1065B	\$

## Other Deductions or Questions

- Notes:**
- Gambling losses are deductible only up to the amount of gambling winnings reported. A log must be kept to verify losses.
  - Work clothing is not deductible if adaptable for every day wear. Exception for safety equipment, such as steel-toe boots.
  - Expenses to enable individuals, who are physically or mentally impaired, to work are generally deductible.

## Adjustments Worksheet

Educator expenses. Classroom expenses of teachers, counselors, and principals. Maximum \$250 each.	\$
Health savings account deduction (HSA).	\$
Self-employed SEP, SIMPLE, and qualified plans. Some contributions for 2018 may be made in 2019.	\$
Self-employed health insurance deduction. Sole proprietors, partners, and 2% S corporation shareholders if not eligible for employer coverage.	\$
Penalty on early withdrawal of savings.	\$
IRA deduction. For traditional IRAs. Roth IRAs are not deductible. Some contributions for 2018 may be made in 2019.	\$
Student loan interest deduction. Paid for taxpayers and dependents. Income limits apply.	\$
Tuition and fees deduction. Qualified tuition and fees if not claiming education credits. Income limits apply.	\$
Moving expenses. Available only to members of the Armed Forces (or their spouses or dependents) on active duty that move pursuant to a military order and incident to a permanent change of station.	Ask preparer
Business expenses of reservists, performing artists, and fee-based government officials.	Ask preparer

## Estimated Tax Payments — Tax Year 2018

<i>Installment</i>	<i>Date paid</i>	<i>Federal</i>	<i>Date paid</i>	<i>State</i>
First		\$		\$
Second		\$		\$
Third		\$		\$
Fourth		\$		\$
Amount applied from 2017 overpayment?		\$		\$
Total		\$		\$

## Tax Preparation Checklist

Please provide the following documentation:

All Forms W-2 (wages), 1099-INT (interest), 1099-DIV (dividends), 1099-B (proceeds from broker or barter transactions), 1099-R (pensions and IRA distributions), Schedules K-1 from partnerships, S corporations, estates and trusts, and other income reporting statements, including all copies provided from the payer.

Form 1095-A (for health insurance purchased through a public exchange), Form 1095-B (for health insurance purchased outside of a public exchange), or Form 1095-C (for employer-provided health insurance coverage).

If you are a new client, provide copies of last year's tax returns.

The completed Individual Income Tax Organizer. *Note:* If you choose not to fill out the organizer, you must at least answer the "Yes" or "No" questions under "Questions—All Taxpayers."

Copy of the closing statement if you bought or sold real estate.

Mileage figures for any automobile expenses claimed, including total mileage, commuting mileage, and business mileage.

Detail of estimated tax payments made, if any.

Income and deductions categorized on a separate sheet for business or rental activities.

List of itemized deductions categorized on a separate sheet for medical, taxes, interest, charitable, and miscellaneous deductions.

Copy of all acknowledgement letters received from charitable organizations for contributions made in 2018.

## Tax Return Preparation

We will prepare your tax return based on information you provide. In the event your return is audited, you will be responsible for verifying the items reported. It is important that you review the return carefully before signing to make sure the information is correct. Unless otherwise stated, the services for preparation of your return do not include auditing, review, or any other verification or assurance.

## Taxpayer Responsibilities

- You agree to provide us all income and deductible expense information. If you receive additional information after we begin working on your return, you will contact us immediately to ensure your completed tax returns contain all relevant information.
- You affirm that all expenses or other deduction amounts are accurate and that you have all required supporting written records. In some cases, we will ask to review your documentation.
- You must be able to provide written records of all items included on your return if audited by either the IRS or state tax authority. We can provide guidance concerning what evidence is acceptable.
- You must review the return carefully before signing to make sure the information is correct.
- Fees must be paid before your tax return is delivered to you or filed for you. If you terminate this engagement before completion, you agree to pay a fee for work completed. A retainer is required for preparation of late returns.
- You should keep a copy of your tax return and any related tax documents. You may be assessed a fee if you request a copy in the future.

**Signatures.** By signing below, you acknowledge that you have read, understand, and accept your obligations and responsibilities. For a joint return, both taxpayers must sign.

*Taxpayer*

*Spouse*

*Date*

## Privacy Policy

The nature of our work requires us to collect certain nonpublic information. We collect financial and personal information from applications, worksheets, reporting statements, and other forms, as well as interviews and conversations with our clients and affiliates. We may also review banking and credit card information about our clients in the performance of receipt of payment. Under our policy, all information we obtain about you will be provided by you or obtained with your permission.

Our firm has procedures and policies in place to protect your confidential information. We restrict access to your confidential information to those within our firm who need to know in order to provide you with services. We will not disclose your personal information to a third party without your permission, except where required by law. We maintain physical, electronic, and procedural safeguards in compliance with federal regulations that protect your personal information from unauthorized access.