Hill Tax, Payroll & Bookkeeping

22455 SW Oak St
Sherwood, OR 97140
Info@hilltaxandconsulting.com
Phone: (503)679-1290 | Website: www.HillTaxandConsulting.com

January 01, 2023

Income tax time is here! The enclosed packet has been prepared to assist you in gathering information for your 2022 tax return. Review the entire packet and answer any questions that apply. In addition to this packet, we will send you an electronic tax organizer available in your client portal.

The packet will contain our privacy policy, engagement letter, items needed for your 2022 return as well as totals from your prior year return. To save you time, **please note these IMPORTANT tips before reviewing:**

1. Use this organizer as you see fit. You may fill in the sections, or just use them to understand what to bring as compared to last year. Filling this part out is not required, as our electronic organizer is what is required.

2. In addition to this packet, you will receive a request by email (to the email we have on file from last year) from myself or my staff (Taylor Hill, Laura Vaughn, Brendon Wexted Hand) requesting **you to complete your electronic organizer**. You find this organizer under the "To-do" tab in your client portal. If you have not received this by January 31st, please request for it to be sent you to by emailing Info@HillTaxandConsulting.com.

3. Please upload copies of your tax documents to your client portal OR drop off photocopies of your originals. Please do NOT send originals to us, as we will shred these after tax season. We ask that you retain the originals in a safe place in your possession in case questions arise or further information is needed from them in the future. If you'd like to drop off documents, you may do so without scheduling an appointment anytime between 10:00 AM - 5:00 PM.

No meeting is required to prepare your taxes. If you would prefer to simply **drop off photocopies of your documents**, **fill out our electronic tax organizer** and **answer our "Requests" for additional information** **<u>through your client portal</u>**, we can prepare your return. All questions and notes you have for us can be entered into the Electronic Organizer and will be addressed during the engagement or to complete the engagement.

This year, we have provided 20- or 45-minute consultations to answer your questions and ask questions of our own after reviewing your organizer. Our only requirement is that you complete the electronic tax organizer **<u>48 hours prior to that meeting</u>** so that we can come to that meeting prepared, which should lead to more efficient tax preparation.

<u>Schedule a meeting at www.Calendly.com/hill-tax-preparers</u>

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Your privacy is important to us. Read the following privacy policy.

We collect nonpublic personal information about you from various sources, including:

* Interviews regarding your tax situation

* Applications, organizers, or other documents that supply such information as your name, address, telephone number, Social Security Number, number of dependents, income, and other tax-related data

* Tax-related documents you provide that are required for processing tax returns, such as Forms W-2, 1099R, 1099-INT and 1099-DIV, and stock transactions

We do not disclose any nonpublic personal information about our clients or former clients to anyone, except as requested by our clients or as required by law.

We restrict access to personal information concerning you, except to our employees who need such information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your personal information.

If you have any questions about our privacy policy, contact our office at (503)679-1290.

Sincerely,

Taylor Hill
Hill Tax, Payroll & Bookkeeping

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January 01, 2023

Subject: Preparation of Your 2022 Tax Returns

Engagement Letter for Personal Tax Return Preparation

This letter is to confirm and specify the terms of our engagement with you for the year ended December 31, 2022, and to clarify the nature and extent of the tax services we will provide. We look forward to working with you and want to confirm our understanding of the arrangements for this service. Please read this letter carefully because it is important that we establish expectations for both of us as we work together. If you have any additional questions or concerns regarding this Engagement Letter, please call to discuss before signing it.

Please know a **Personal Income Tax Return is due by <u>April 18, 2023</u>. Please submit your information by <u>March 1st, 2023</u> to provide the opportunity to complete your Income Taxes by the deadline. Based on prior year, we want to communicate that meeting this date does not <u>guarantee</u> timely filing, but we will try and communicate with you as early as possible if we cannot meet the deadline.** An additional extension of time to file may be requested before the due date, allowing you to extend your tax return due date until **<u>October 16, 2023</u>**. If an extension is filed, **please submit your information by <u>September 1st, 2023</u> to ensure your Income Taxes can be completed by the extended deadline.** <u>The extension is an extension of time to FILE your tax return and NOT an extension to PAY any tax liability due.</u> If any tax is due or you think it may be due, you must pay that amount to the IRS and any applicable state taxing agency by **<u>April 18, 2023</u>**. <u>If payment for estimated taxes is not made timely, there will be penalties and interest due.</u> Regardless of when you documents were provided, we will not be responsible for any failure-to-pay penalties on your balance due. **Please be aware if your documents are submitted AFTER the due dates of March 1st or September 1st, you can request a "Rush" to your tax return and if we have the ability, we will accept this request. A Rush Fee of 10% will be applied (this increases to 20% by April 1st/October 1st and 30% for the final week) to your bill ONLY if you want us to guarantee your return to be completed by the April 18th or October 16th deadline, respectively. If you are OK with an extension, please do not worry about requesting a "Rush" fee, we will simply file an extension and prepare in the order received after the April 18th deadline.**

We typically charge for the preparation of tax returns at our standard rates. **We accept payment via Cash, Check, Zelle, Venmo or CashApp (no Credit Card option). Please note, we <u>will be charging additional fees for bookkeeping services (at $150/hour) and for the preparation of additional schedules if these services are necessary.</u> Bookkeeping fees are charged at this premium rate due to the limited time available. We always hope and prefer this to be done prior to the tax preparation, but understand that is not always the case. We do offer these services year round if needed.** All charges for tax return preparation are due and payable prior to the release of the return to the client or the filing of the return. You will be contacted with an estimate of charges if they are above the basic rate for your approval.

We will provide you with an electronic information checklist and questionnaire requesting specific information. Completing the checklist and questionnaire will assist us in making sure you are well served for a reasonable fee. In providing this information to us, **you represent that the information you are supplying is truthful, accurate and complete to the best of your knowledge and that you have truthfully disclosed to us all income and other relevant facts affecting the returns. You further represent that you have provided us true, correct, and complete information regarding amounts you claimed as tax deductions, and have maintained written documentation supporting all amounts, including logbooks and receipts.** We will not audit or otherwise verify the information you give us; however, we may ask for additional clarification of some information. You will contact us immediately if you discover additional information that will lead to a change in your return, or if you receive any letters from the IRS, state, or local taxing authorities.

You are responsible for the proper recording of financial activities, for the safeguarding of assets, and for the substantial accuracy of your financial records. The law imposes various penalties when taxpayers understate their tax liability. We recommend you retain all documents, canceled checks, receipts and other data that form the basis of income and deductions for at least 3 years after filing your return. **Please remember, you have the final responsibility for the information on your income tax returns. Please keep all originals for your records.**

In accordance with our firm's current document retention policy, we will retain our work papers and your tax returns for your engagement for *seven* (7) years. After seven years, our work papers and files will no longer be available. Physical deterioration or catastrophic events may shorten the time during which our records will be available. The working papers and files of our firm are not a substitute for the original records of your company. When any records are returned to you, it is your responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies. It is agreed and understood that in connection with the performance of this engagement by Hill Tax, Consulting & Financial Services LLC, that the work papers prepared by us shall remain the property of Hill Tax, Consulting & Financial Services LLC.

Please note the following policies that are in effect:

- No tax return or related information will be released until the invoice has been paid in full, and payment plans are not available.
- There will be additional expedited fees for any returns completed in which we receive your information within 45 calendar days of the filing deadline and you insist it to be completed by the deadline.

Sending Our Office Information – Please scan and upload your tax related information through your secure portal OR drop off at our office for us to scan and upload. If you do not have a portal, please contact our office and we will set one up for you. This is a free service and is a more secure way to transfer information. Please do not send originals. You can also scan in your data or send photocopies via mail (please do not send originals). Please password protect any files being sent via email.

The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return's due date. Your consent to such a discussion is evidenced by checking a box on the tax return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss the return with us.

There is always a possibility that your returns may be selected for review by taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, we will be available, upon request, to represent you. **There will be additional charges for the time and expenses incurred.**

If we conclude that we are obligated to disclose a particular position on your tax return to a taxing authority and you refuse to permit disclosure, we reserve the right to withdraw from the engagement. You also have the right to choose another professional to prepare your return. In either event, you agree to compensate us for our services to the date of the withdrawal.

All invoices are due and payable upon completion of the income tax. It is agreed and acknowledged that any unpaid balance pursuant to this Engagement Letter is subject to interest at the rate of Eighteen Percent (18%) per annum, collection charges (which may be as much as 50%), court costs and reasonable attorney fees. It is agreed and acknowledged that any returned or dishonored check will result in a $25.00 check charge and shall be subject to the provisions contained in ORS §697.520 and ORS §30-701-1. It is agreed and acknowledged that failure to make payment as provided by this Engagement Letter constitutes a breach of this Engagement Letter and shall immediately be entitled to all remedies available under the law. It is agreed and acknowledged that this shall be governed by the laws of the State of Oregon.

The engagement does not include any services not specifically stated in this letter. To formalize our relationship, we respectfully ask that you return all three pages of the signed copy of this letter.

Thank you for your business!!

Respectfully,
Hill Tax, Payroll & Bookkeeping

Taylor Hill

CLIENT ACKNOWLEDGEMENT

Client Signature: ________________________________

Print Name: ________________________________

Date: ________________________________

What You Want in 2023

At Hill Tax, Payroll & Bookkeeping we want to help you achieve the goals that are important to you. By answering the following questions (not required), we will be able to understand your unique situation better. We look forward to being your Business & Tax Partner.

Please tell us 3 things you would like to accomplish in 2023 to improve your business situation.

1.____

2.____

3.____

Please share 3 things that you would like Hill Tax to do to help you accomplish the above in 2023.

1.____

2.____

3.____

Items needed for 2022 Personal Income Tax Return

Please provide photocopies of the following information for us to complete your 2022 Income Tax Return. Please do not send the originals to us. We ask that you retain the originals in a safe place in your possession in case questions arise or further information is needed from them in the future.

General information

1) Refer to the Basic Taxpayer Organizer.
2) Copies of last two years Federal & State tax returns. **If we prepared your returns, there is no need to send copies.**

Income information

1) Copies of all W-2 forms that you or your spouse may have received from your employer(s).
2) Copies of 1099 forms that you may have received for other income.
3) Copies of 1099-INT or 1099-DIV forms that show interest or dividend income.
4) Copy of last year's state tax refund.
5) Distributions from a Health Savings Account.
6) Distributions from IRA, 401(K) or other retirement accounts.
7) Documentation on capital gains you may have had through asset sales in 2022.
8) Unemployment compensation
9) Social Security benefits received.
10) Any other types of income you may have for 2022.

Adjustments to Income

1) Contributions to a Health Savings Account.
2) Moving expenses.
3) Contributions to SEP, Simple or other qualified plans.
4) Premiums paid for self-employed health insurance.
5) Alimony paid.
6) IRA contributions for 2022.
7) Student loan interest paid.
8) Tuition and fees paid for college education.

Itemized deductions

1) Medical expenses (doctors, dentists, eyeglasses, prescriptions, employee health insurance premiums, etc.)
2) Real estate taxes paid.
3) Personal property tax paid (automobiles, etc.)
4) Mortgage interest paid on your residence (Form 1098 or other documentation).
5) Points paid on your residence.
6) Charitable contributions by cash or check.

Itemized deductions (continued)

7) Charitable contributions made in kind (clothing, automobiles, furniture, etc.)
8) Casualty losses from theft or fire.
9) Unreimbursed business expenses.
10) Legal fees.
11) Tax preparation fees.
12) Safety deposit box fees.

Other deductions and credits

1) Child and dependent care costs.
2) Credit for elderly or disabled.
3) Residential energy credit for improving the efficiency of your home.
4) Taxes paid to foreign country.

Payments

1) Documentation of payments or estimated payments that you may have made toward your 2022 taxes. (does not include amounts paid with 2021 return for additional taxes owed for 2021)

If you owned a business that could be considered a sole proprietorship in 2022, we need the following information to complete the Schedule C for your tax return:

1) What activity the business was engaged in.
2) Total revenue earned by the business in 2022.
3) Categorized expenses incurred by the business in 2022.
4) Total miles and total business miles driven for the year.
5) Information on a home office if one was used.
6) Any depreciable assets used by the business. (computers, office furniture, etc.)

If you personally owned rental properties in 2022, we need the following information for your Schedule E:

1) Address and location of new properties.
2) Amount paid for the new properties purchased.
3) Rental income for the individual properties.
4) Cost of any improvements made to the properties.
5) Expenses for the maintenance and operation of the properties.
6) Information as to whether or not you can be considered a real estate professional. (the greater of 750 hours **and** more than 50% of your personal services, if you have another job, devoted to working in real estate activities for 2022)
7) HUD Statements (closing statements) on any property purchased in 2022.

Thank you for allowing us to assist you in this process.