



# S. SHARMA TAX, INC.

INCOME TAX & ACCOUNTING SERVICES

## Individual Tax Engagement Letter

We appreciate the opportunity to provide professional services to you. This letter is to confirm our understanding of the terms and objectives of our engagement (“Agreement”) and the nature and limitations of the services S. Sharma Tax, Inc, (“we” or “Company”) will provide. For the fiscal year ended 2023, please select the services you would like us to render:

**Individual Tax Return Preparation**

**Amended Tax Return Preparation [specify tax year(s)]:** \_\_\_\_\_

**Individual Tax Identification Number (ITIN) Application/Renewal**

**Prior Year / Late Tax Return Preparation [specify tax year(s)]:** \_\_\_\_\_

**Tax Planning / Estimated Tax Services**

**Notice Resolution**

**Other:** \_\_\_\_\_

**Tax Preparation Fee:** \_\_\_\_\_

**Engagement Effective Date:** \_\_\_\_\_

- 1 Engagement.** Our engagement is limited to the period and the tax services selected above. Our engagement will be complete upon the delivery of the completed returns to you. Thereafter, you will be solely responsible to file the returns with the appropriate taxing authorities. We will only electronically submit documents after receiving signed authorization from clients and payment in full for our services.
- 2 Disclaimer.** We will prepare your **2023 federal and state(s)** (if applicable) individual income tax returns from information you furnish us. It is the client’s responsibility to file any or all local tax returns and foreign account disclosures. We will not audit or review your financial statements, or any other accounting documents and information you provide, in accordance with generally accepted auditing standards. Accordingly, we ask that you do not in any manner refer to this as an “audit” or “review.” Nor will we otherwise verify the data you submit for accuracy or completeness. Rather, we will rely on the accuracy and completeness of the documents and information you provide to us. Accordingly, our engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist. However, it may be necessary to ask you for clarification of some of the information you provide, and we will inform you of any material errors, fraud, or other illegal acts that come to our attention, unless they are clearly inconsequential. In addition, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal controls as part of this engagement, and our engagement cannot, therefore be relied upon to make disclosure of such matters.
- 3 Record Retention.** It is our policy to retain engagement documentation for a period of three years, after which they will be destroyed. Supporting tax documents are scanned and saved

for our reference and IRS compliance purposes. We request all clients to contact the issuing authority for all additional copies of tax documents.

- 4 **Failure to Provide Adequate Documentation.** We will prepare the returns from information that you will furnish to us. In order for us to complete this engagement, and to do so efficiently, it is your responsibility to provide all the information required for the preparation of complete and accurate returns. We will furnish you with questionnaires and/or worksheets as needed to guide you in gathering the necessary information. To the extent we render any accounting and/or bookkeeping assistance, it will be limited to those tasks we deem necessary for preparation of the returns. Any failure to provide such documents and information, and to do so on a timely basis, will impede our services, and may require us to suspend our services or withdraw from the engagement. You agree to accept responsibility for any effect on your accounting records and financial statements of basic financial information or transaction documents not submitted to us for processing and entry, or losses that may result from their absence.

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 work-related expenses and the required documents to support all 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 submitting them to the tax authorities. We are not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties and interest.

- 5 **Payment of Fees.** All fees are determined by the nature of the work that is required. We do not charge a flat fee unless agreed upon in writing. Please note that tax return preparation does not include other services, such as, notice resolution, representation in front of the IRS, amendments, replies to IRS and State notices, bank letters, and FinCen filings are considered to be beyond the original scope of work and will be billed separately. In the event additional services beyond the original scope of work are required, additional fees may apply. Any additional services requested will be billed separately. For services greater than \$500 a retainer of 50% of the estimated service cost may be required for us to begin any services requested. The balance will be due immediately after the service has been completed. All invoices are due and payable upon receipt. Invoices unpaid 15 days past the billing date may be deemed delinquent and we reserve the right to suspend our services or to withdraw from this engagement in the event any of our invoices are deemed delinquent. Invoices greater than 30 days past due are subject to a late fee of 1.5% per month or the maximum allowable by law. In the event any collection action is required to collect unpaid balances due us, you agree to reimburse us for our costs of collection, including attorneys' fees. If we elect to terminate our services for nonpayment, or for any other reason provided for in this letter, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us on a prorated basis for services provided through the date of termination.

We do not provide any free estimates of refunds/payments. It is further understood and agreed that should you withdraw from this engagement after the tax return has been completed or near completion you will be required to pay a minimum consultation fee of \$150 for our time.

Furthermore, should you withdraw from this engagement and request a copy of the work that has been done, 100% of the fee will be due for a full copy of the tax. It is against the law to charge a fee based on the results of the tax return (Percentage of the refund or tax saved) and we will not entertain such fee arrangements.

We will only electronically submit documents after receiving signed authorization from clients and payment in full for our services. We reserve the right to not e-file or provide a final copy of the tax return until all fees are paid. It is understood and agreed that if you do not pay these fees in a timely manner that we reserve the right to withdraw from the requested services without notice.

- 6 **Method of Payments.** Our fees can be paid through cash, check, credit card, direct debit (ACH). There will be a \$25.00 additional charge on all bounced payments of our service fees (paper and/or electronic).
- 7 **Tax Payments.** The use of electronic payment options for both tax payment(s) and our services is offered as a courtesy for your convenience. System availability has no bearing on your due date. Plan ahead to ensure timely payment. S. Sharma Tax, Inc. will NOT be liable for any claims, damages, losses or expenses arising out of the inaccuracy in preparation or delivery of data input for the Electronic Funds Transfers and credit or debit entries prepared by You, a third party, or other person or company authorized by You to do so. Furthermore, S. Sharma Tax, Inc. will NOT be liable if (1) through no fault of ours You do not have enough money available for use in your account to make the transfer, (2) the funds are frozen because of a court order or any other encumbrance that restricts the transfer, (3) We do not receive the necessary transfer data from You or a third party, (4) there are unusual or extraordinary circumstances which would indicate improper or unlawful use of your account. You understand that S. Sharma Tax, Inc. cannot verify the electronic deposit or withdrawal has been processed. If S. Sharma Tax, Inc. receives notice that my Electronic Funds Transfers transaction was not processed as requested, S. Sharma Tax, Inc. may, as a courtesy, attempt to contact me by email and/or by telephone. I understand that a transfer reject may occur, and I understand that it is my own responsibility to verify the success of my Electronic Funds Transfers transaction request with my financial institution. S. Sharma Tax, Inc. will not be responsible for any transactions effected in my account. The law provides various penalties and interest that may be imposed when taxpayers underestimate their tax liability. You acknowledge that any such understated tax, and any imposed interest and penalties, are your responsibility, and that we have no responsibility in that regard. If you would like information on the amount or circumstances of these penalties, please contact us.
- 8 **Legal Fees Incurred.** In the event we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us for the time we expend in connection with such response, and to reimburse us for all of our out-of-pocket costs incurred in that regard.
- 9 **Indemnification.** In the event that we are or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, and if such obligation is or may be a direct or indirect result of any inaccurate or incomplete information that you provide to us during the course of this engagement, you agree to indemnify us, defend us, and hold us harmless as against such obligation.
- 10 **Limitation of Liability.** In no event will either party be liable to the other or to any third-party for any loss of use, revenue, profit, or loss of data, for any consequential, incidental, indirect, exemplary, special, or punitive damages whether arising out of breach of contract, tort (including negligence) or otherwise, regardless of whether such damage was foreseeable and

whether or not such party has been advised of possibility of such damages. In no event shall any claim for damages against Company exceed the value of this Agreement.

- 11 **Confidentiality.** The parties agree to keep the terms of this Agreement confidential. We will do our best to ensure none of your financial information is disclosed to any third-party without your consent. You understand that we may employ contractors or similar personnel to assist us with providing the services above. Such individuals are also bound by a confidentiality agreement to ensure the protection of your sensitive financial data.
- 12 **Dispute Resolution.** You agree that any dispute that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement that we have performed for you shall first, in good faith, be submitted to mediation administered within the county of Los Angeles, California by the American Arbitration Association (AAA) under its Commercial Mediation Rules. All unresolved disputes shall then be decided by final and binding arbitration in accordance with the Commercial Arbitration Rules of the AAA. Fees charged by any mediators, arbitrators, or the AAA shall be shared equally by all parties. In agreeing to arbitration, the parties to these Terms of Service acknowledge that in the event of a dispute arising out of this engagement, each of the parties is giving up the right to have the dispute decided in a court of law before a judge or jury and instead is accepting the use of arbitration for resolution.
- 13 **Entire Agreement.** This engagement letter is contractual in nature and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between us. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.
- 14 **Acceptance.** If, after full consideration and consultation with counsel, if so desired, you agree that the foregoing terms shall govern this engagement, please sign the copy of this letter in the space provided and return the original signed letter to US, keeping a fully-executed copy for your records.

**Reviewed the Terms of Service**

By signing below, the parties agree they have read and under the Terms of Service the govern this Business Services Engagement Letter and agree to be bound by said terms.

X \_\_\_\_\_  
Taxpayer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

X \_\_\_\_\_  
Spouse (If filing Married Filing Jointly)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name