

Driscoll Tax Group, LLC



Certified Public Accountant

1040 TAX ENGAGEMENT LETTER

January 2024

We are pleased to confirm our understanding of the terms of our engagement and the nature and extent of the income tax services we will provide as well as your responsibilities as the taxpayer.

Tax Preparer Responsibilities

We will prepare your Individual Federal (and MD State) income tax returns for the year ended 2023 with the information and documents you provide. We will not audit or verify the data you submit and may ask you to clarify information. We are available to assist and guide you in gathering the necessary information and will furnish you with questionnaires and/or worksheets. We are available to answer your questions and assume no liability for penalties associated with the failure to disclose information. ***If you have taxable activity in a state/city other than Maryland, you are responsible for providing our firm with all information necessary to prepare any additional applicable state(s) or local income tax returns as well as informing us of the applicable states.***

Taxpayer Responsibilities

It is your responsibility to provide all the information required to complete your tax returns. You should retain all documents, receipts, canceled checks and other records to substantiate the items of income and deductible expenses claimed on your return. You have the final responsibility for the information reported on your income tax returns and it is ***your responsibility, and highly recommended, that you review your tax returns carefully before signing and filing them.***

It is your responsibility to make this office aware of any foreign accounts, foreign retirement accounts or foreign business interests or ownerships. In the absence of such information being provided, we will presume you do not have any foreign assets or financial interests and will not file any applicable disclosure forms without separate written authorization. Again, IRS scrutiny of foreign accounts means that you need to inform us about any non-US accounts so that it is reported correctly.

It is your responsibility to make this office aware of the receipt (as a reward, award, or payment for property or services), sale, exchange, gift, spending, mining or otherwise acquiring or exchange of virtual/cryptocurrencies and digital assets to assure proper reporting on your return. Penalties for the failure to report these activities can be huge.

It is your responsibility to verify your banking information, routing and account numbers, if you choose direct deposit of refunds or automatic withdrawal of any tax payments due.

It is your responsibility to retain and protect a copy of your completed tax returns for your records.

Other Items

Payments for our billings are due upon receipt and billings become delinquent if not paid within 30 days of the invoice date. Our fee does not include responding to inquiries by taxing authorities or third parties, for which you will be billed separately for the time and expenses involved. We are available to represent you and our fees for such services are at our standard rates and would be covered under a separate engagement. You agree to immediately notify our office upon the receipt of any correspondence from any agency covered by this letter. If interest or penalties are assessed, they will be your responsibility. Additionally, we will be entitled to reimbursement for extra expenses that may include extra copies of returns and rerun fees.

Your tax information and documents should be provided to our office no later than March 20, 2024, for your return to be timely prepared and filed. **Tax information received after March 20, 2024, will incur an additional fee** and your returns may be placed on extension. If you are unable to provide our office with your documents in a timely manner, it is your responsibility to notify our office and request an extension to be filed on your behalf. Filing an extension only extends the filing deadline and does not extend the time to pay your taxes. If you request an extension, you will be responsible to make a good faith payment of taxes due. Failure to timely pay any tax due or any quarterly estimated tax payments may subject you to various penalties and interest.

If a question arises interpreting tax law, and a conflict exists between the taxing authority's interpretation of the law and other supportable positions, we will use our professional judgment in resolving these issues. Whenever possible, we will resolve said questions in your favor.

In recognition of the relative risks and benefits of the agreement to both the client and the accounting firm, the client agrees, to the fullest extent permitted by law, to limit the liability of the accounting firm to the client for any and all claims, losses, costs, and damages of any nature whatsoever, so that the total aggregate liability of the accounting firm to the client shall not exceed the accounting firm's total fee for services rendered under this agreement. The client and the

accounting firm intend and agree that this limitation apply to any and all liability or cause of action against the accounting firm, however alleged or arising, unless otherwise prohibited by law. Both parties agree that this is a one-year limitation period to bring a claim against us 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.

In connection with this engagement, we may communicate with you or others via email transmission. 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 that such emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any and all liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmission, 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.

From time to time various third parties may request that we sign, for you, some verification of income, employment, or tax filing status. Because we were engaged only to prepare your income tax return, without examination, review, audit or verification, **the state board of accountancy prohibits us from signing any such document** and any third-party request to do so is a violation of those rules prohibiting us, by law, from the issuance of an opinion without performing an audit. These returns are not intended to benefit or influence any third party, either to obtain credit or for any other purposes.

In the interest of facilitating our services to you, we utilize a secure web portal, SmartVault. Your use of this portal must comply with our standards of use, and as owners of the portal we retain the right to limit and deny use of the portal.

It is the policy of this office to keep records related to this engagement for three years, after which, they are destroyed. We do not keep any original client documents. Your documents will be returned to you at the completion of the services rendered under this engagement and it is your responsibility to retain and protect your documents for possible future use, including potential examination by any government or regulatory agencies. Any request for copies of your tax records will incur an additional fee. Your records are available to you, free of charge, through our online portal, SmartVault.

You acknowledge that you have reported all 2023 income you received including 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.

Crypto-currency and Digital Assets: Congress and the IRS are very aggressively pursuing crypto-currency and digital asset activity. Failure to report crypto-currency and digital asset activity of any type, including sales, staking, mining, lending, NFT activity, trades and other activities must be reported on your return. You acknowledge that you have reported all crypto-currency activity to us including any and all activity performed by your claimed dependents.

Notice to All Business Owners: The Corporate Transparency Act of 2021 (CTA) mandates that starting January 1, 2024, nearly all business entities (including corporations and LLCs) are required to file a Beneficial Ownership Information Report with the Financial Crimes Enforcement Network (FinCEN). Failure to file timely and accurately can result in up to two years of jail time and/or fines up to \$500 per day. You acknowledge that you are aware of the new reporting requirement and that you are responsible for proper reporting to FinCen. Assisting you with your compliance with the Corporate Transparency Act ("CTA"), including beneficial ownership information ("BOI") reporting, is not within the scope of this engagement. You have sole responsibility for your compliance with the CTA, including its BOI reporting requirements and the collection of relevant ownership information. We shall have no liability resulting from your failure to comply with CTA. Information regarding the BOI reporting requirements can be found at <https://www.fincen.gov/boi>.

Our services will conclude upon delivery of the completed income tax returns discussed above or upon our suspension of services or resignation from the engagement.

We appreciate the opportunity to serve you. Please date and sign this letter to acknowledge your agreement with and acceptance of your responsibility and the terms of this engagement. It is our policy to initiate services after we receive the executed engagement letter. If any provision of the agreement is declared invalid or unenforceable, no other provision of this agreement is affected, and all other provisions remain in full force and effect.

DRISCOLL TAX GROUP, LLC

Please note, if you are filing a joint return, both the taxpayer and spouse must sign.

Read and Accepted by: _____ Date: _____
Taxpayer

Read and Accepted by: _____ Date: _____
Spouse