



**This package has been put together to help with the preparation of your income tax returns for the year ending 2022. Please read and review documents carefully. Make sure that you complete, sign and date all forms that will be applicable to you. Please feel free to consult with a staff member if you have any questions. As always, your business is greatly appreciated.**

**We look forward to working with you this upcoming tax season**

**Enclosures/Attachments:**

- Income Tax Engagement Letter & Privacy Policy
- Client Information Sheet
- Dependent Information Worksheet
- Deduction Worksheet
- Self Employment Forms
- Limited Power of Attorney
- Refund Authorization Form

**Thank You for Choosing Signature Tax**

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**Providing Quality Accounting, Tax and Business Planning Services**

**To meet your individual and business needs!**

# ENGAGEMENT LETTER

This firm appreciates the opportunity to prepare your individual income tax return for 2022 and your 2023 estimated taxes. This letter sets forth the services the firm provides as part of the tax preparation process, states potential conflicts of interest, and outlines your responsibilities as a client.

The return(s) will be prepared based on **information and documentation you provide** without independent verification by the firm. The firm will provide you with a tax organizer to assist you in gathering and organizing the required tax return data in order to keep the tax preparation fees to a minimum. You will make available information about all of your income and deductions so that substantially correct amounts of income and tax can be properly reported. It is your responsibility to maintain, in your records, the documentation necessary to support the data used in preparing your tax returns. This firm is not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties and interest.

You are expected to **promptly provide requested follow-up materials and any missing information**. If the firm has not received all of your tax return information in early April, we may not be able to complete the return before the filing due date. If your returns are not filed by midnight of April 17, 2023, you may be subject to late filing and/or late payment penalties. The firm is responsible for preparing only the returns listed above. The preparation fee does not include responding to inquiries or examination by taxing authorities. However, the firm is available to represent you and the fees for such services are at the firm's standard rates and would be covered under a separate engagement letter.

It is understood that anything you tell the firm during the interview for the preparation of your tax return is **confidential, but not protected from the IRS or state tax authority**. In addition, the firm cannot disregard the implications of any information you provide in the process of preparing your return. Any of the work papers used to prepare your returns, as well as the communications between you and this firm can be summoned by the IRS in a legal action against you. If this is of concern to you, you should discuss this with legal counsel prior to engaging the firm for the preparation of your returns.

This firm will use its best judgment to **resolve questions in your favor where a tax law is unclear**, if there is a reasonable justification for doing so. Whenever we are aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts), we will explain the possible positions that may be taken on your return. We will follow whatever position you request, so long as it is consistent with the codes and regulations and interpretations that have been promulgated. If the IRS or a state tax agency should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional penalties or assessments. If your marital status on 12/31/21 was married, you have a choice of filing a joint or separate tax return for 2022; if there are dependents, and you don't file a joint return, one of you may qualify for Head of Household, while the other must file as Married Filing Separately. <sup>(1)</sup>

- o If you file joint returns, you are accepting joint and/or separate responsibility for any tax assessed on the returns. Be especially concerned if there is an unpaid liability on the final returns as submitted; you can be held separately liable for the full amount of the underpayment. If you have any questions about your potential liability, please ask.

## ENGAGEMENT LETTER (CONT)

- o If jointly filed returns (from any year) are later challenged by the IRS or state tax agency and any additional tax is assessed, each filer can be held liable for the full additional tax. If you are separated or contemplating divorce, you may wish to make sure any dissolution agreement reflects that any additional tax for the 2020 year will be paid by the individual who generated the additional income. However, this will not prevent the IRS or state agency, if applicable, from assessing the tax or attempting to collect it from both parties.
- o If joint returns are prepared for you that are later challenged by the IRS or state tax agency, the firm will not be allowed to represent either of you separately, and will only be able to represent both of you if the representation can be provided objectively and with written consent from both of you.
- o If you are contemplating dissolution of marriage or were previously married to another client of this firm, you must understand that preparing the returns of both of you can involve inherent conflicts of interest for the person being asked to prepare the returns. Therefore, before the firm can prepare your return, you acknowledge that the firm cannot place information on your return in conflict with information used in preparing your spouse's or former spouse's return. Additionally, if the firm represents both parties, conversations or other communications by either party with the firm are not considered confidential and are available to the other party. In fact, the firm may be required to disclose any oral or written communications between the firm and one party to the other party.

**Fees for services** will be at the firm's standard rates plus out-of-pocket expenses. In some circumstances, a retainer may be required. Payment for service is due when rendered and, in some circumstances, interim billings may be submitted as work progresses and expenses are incurred.

You will be provided with **copies of the completed returns**. It will be your responsibility to review the documents carefully before signing and filing the returns or signing the authorization for the firm to electronically file the returns to verify that the information is correct and accurate.

**Agreed:**

**Spouse:**

Filer (Print Full Name): \_\_\_\_\_

Filer (Print Full Name): \_\_\_\_\_

Filer Signature: \_\_\_\_\_

Filer Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

(1) Treas. Dept. Circular 230 §10.29, Conflicting interests: A practitioner may not represent potential conflicting interests in his or her practice before the IRS unless the practitioner reasonably believes that the representation of any party before the Service will not be adversely affected; and all parties represented by the practitioner who have an interest in the matter before the Service expressly consent in writing to the representation after the practitioner has fully disclosed the potential conflict. Moreover, copies of the written consents must be retained by the practitioner for at least 36 months from the date of the conclusion of the representation of the affected clients, and the written consents must be provided to any officer or employee of the IRS on request. Finally, a practitioner may not represent a party in his or her practice before the IRS if the representation of the party may be materially limited by the practitioner's own interests, unless the practitioner reasonably believes the representation will not be adversely affected and the client consents after the practitioner has fully disclosed the potential conflict, including disclosure of the implications of the potential conflict and the risks involved.

# PRIVACY POLICY

## *Confidentiality*

You may have some concern about the confidentiality of the information you provide to this office. It is our policy to keep your personal and business matters confidential to the extent permitted by law.

## *Privacy Policies*

The Federal Trade Commission has issued regulations that require tax preparation firms to provide an annual statement of firm privacy policies.

## *This Firm's Policy*

All information you provide to this firm is handled with the utmost confidentiality. Your personal information will only be shared with members of our firm who need to know this information in order to complete the work you have hired our firm to do. Other than the IRS permitted disclosure to a tax return processor for the purpose of preparing and e-filing your tax return, this firm will not disclose your personal information to anyone outside our firm without your express written permission to do so, or unless the firm is legally required or permitted to do so. For example, if a mortgage lender contacts this office for a copy of your return or information about it, you will be required to provide written consent to disclose your tax return information prior to this firm responding to that request.

## *Client Privileged Communications*

You should also be aware that anything you tell this firm during the interview for the preparation of your tax return is confidential, but not protected from the IRS. Privileged communications (those that are protected from IRS authority to compel the firm's testimony) are limited to non-criminal tax advice on matters before the IRS or non-criminal tax proceedings in federal courts. Although this firm considers any information you provide us as confidential, return preparation engagements are not covered by advisor-client privilege.

If you feel the nature of any subject matter to be discussed requires protected communications, please raise that issue so that we can discuss your possible need to consult with an attorney for legal advice.

## *Referrals are Welcome*

Referrals are the cornerstone of any service business. This firm, like other professional service firms, relies on satisfied clients as the primary source of new business. Your referrals are both welcome and most sincerely appreciated! Since your referrals are generally individuals you are well acquainted with, you can be assured that your personal, financial and tax data will not be shared with them.

## *An Expression of Confidence*

When you refer clients here, you are expressing your faith and confidence in the services this office has and will continue to provide to you. You may have business associates who need professional tax assistance or family and friends who struggle to do their own taxes every year. No matter whom you refer, be assured that their individual tax needs will be looked after in the same professional manner yours have been. Thank you for allowing this firm to be of service.

Taxpayer's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

# Signature Tax

## APPLICANT INFORMATION DATA FORM

TODAY'S DATE \_\_\_\_\_

TAXPAYER'S NAME AS APPEARS ON SOCIAL SECURITY CARD					
TAXPAYER'S SOCIAL SECURITY #					
TAXPAYER'S DATE OF BIRTH		OCCUPATION			
CELL NUMBER		ALTERNATIVE NUMBER REQUIRED			
EMAIL					
ADDRESS		CITY/STATE	ZIP CODE		
CAN YOU BE CLAIMED AS A DEPENDENT ON SOMEONE ELSE TAXES?		DID SOMEONE CLAIM YOU THIS YEAR?			
<b>SPOUSE INFORMATION (If Married filing Separately or Jointly)</b>					
FULL NAME AS IT APPEARS ON SOCIAL SECURITY CARD					
SOCIAL SECURITY NUMBER					
DATE OF BIRTH		OCCUPATION			
CELL NUMBER		ALTERNATIVE NUMBER			
<b>DEPENDENT'S INFORMATION</b>					
<b>FULL NAME</b>		<b>DATE OF BIRTH</b>	<b>RELATIONSHIP</b>	<b>DISABLED</b>	<b>STUDENT</b>
DID YOU HAVE HEALTH INSURANCE LAST YEAR? YES NO DEPENDENTS? YES NO SPOUSE? YES NO					
DO YOU HAVE LIFE INSURANCE? YES NO   WOULD YOU LIKE TO BE CONTACTED BY AN AGENT? YES NO					
HAVE YOU BEEN DISALLOWED EITC PREVIOUSLY? YES NO IF YES, LIST THE REASON:					
DID YOU RECEIVE AN IDENTITY THEFT PIN FROM THE IRS? YES NO LIST IT HERE:					
DID YOU RECEIVE UNEMPLOYMENT LAST YEAR? YES NO					
DO YOU OWE BACK TAXES, STUDENT LOANS, CHILD SUPPORT, OR ANY OTHER GOVERNMENT AGENCY? YES NO					
<b>DAYCARE INFORMATION</b>					

I DO HERE BY ATTEST THAT ALL OF THE ABOVE INFORMATION IS TRUE TO THE BEST OF MY KNOWLEDGE.

Taxpayer's Signature \_\_\_\_\_ Date \_\_\_\_\_

Spouse's Signature \_\_\_\_\_ Date \_\_\_\_\_

# *Signature Tax*

## Possible Legal Deductions for Taxpayer and/or Dependents Claimed

(Keep receipts for your records)

If filing jointly, separate forms are needed

Medical & Dental Expenses		Contributions	
Co Pay	\$	Church Contributions	\$
Medical Insurance Premium	\$	College	\$
Dental Insurance Premium	\$	Other (United Way, March of Dimes, etc)	\$
Vision Premium	\$	Volunteer work expenses: Church, School, Scouts	\$
Amount Paid to Doctor, Dentist, Eye Doctor, etc	\$	Volunteer Miles Driven	_____
Prescriptions	\$		
Hospital & Emergency	\$	Taxes	
Lab & X-ray	\$	Real Estate	\$
Dentures/Braces for Teeth	\$	Personal Property Tax –car tags,	\$
Dental Procedure	\$	Interest Paid	
Hearing Aid & Batteries	\$	Home Mortgage Interest	\$
Orthopedic Shoes/Leg or Foot Brace	\$	Qualified mortgage insurance premium	\$
Cane/Crutches	\$	Points paid	\$
Other purchases on doctor’s advice	\$	Work Expenses	
Medical Miles Drive	_____	Continuing Education	\$
	-		
Miscellaneous Expenses		Professional Dues	\$
Uniforms/Gloves/Shoes	\$	Mileage	\$
Work Tools	\$	Meals/Entertainment	\$
Union Dues	\$	Travel	\$
Tax return preparation	\$	Other	\$
Investment Expenses	\$		
Teacher/School Supplies	\$		
Safe Deposit Rental Box	\$		
Small Tools for Work	\$		
Job Supplies	\$		
Job Seeking Expenses	\$		
Other Expenses	\$		

I, certify that the information provided is true to the best of my knowledge and I authorize (Company’s Name) to use the information provided to file my taxes. In the event of an audit, I can substantiate my deductions claimed. We shall not be held liable for any IRS audit or investigation resulting from inaccurate information provided or withheld by the taxpayer(s).

\_\_\_\_\_  
(SIGNATURE)

\_\_\_\_\_  
(DATE)

# *Signature Tax*

## DEPENDENT DUE DILIGENCE

Your child must pass all of the following tests to be your qualifying child for EITC:

### Relationship

- Your son, daughter, adopted child, stepchild, foster child or a descendent of any of them such as your grandchild
- Brother, sister, half-brother, half-sister, step brother, step sister or a descendant of any of them such as a niece or nephew

### Age

- At the end of the filing year, your child was younger than you (or your spouse if you file a joint return) and younger than 19
- At the end of the filing year, your child was younger than you (or your spouse if you file a joint return) younger than 24 and a full-time student
- At the end of the filing year, your child was any age and permanently and totally disabled

### Residency

- Child must live with you (or your spouse if you file a joint return) in the United States for more than half of the year

### Joint Return

- The child cannot file a joint return for the tax year unless the child and the child's spouse did not have a separate filing requirement and filed the joint return only to claim a refund.

**By listing the dependents below, you agree that you have the legal right to claim each dependent according to the IRS:**

Dependent	Relationship to Tax Client	# of Month in the Same Household

By signing this form, I acknowledge that all information regarding any dependents that allows me to qualify for the EITC credit is true and correct to the best of my knowledge. I understand that this information is being provided to the IRS and State Revenue. I have been advised by my tax preparer that any false and misleading information that I provide for income tax filing purposes is against the law and are subject to penalties.

Tax Client's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Spouse's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Please Note:** Only one person can claim the same child. If a child qualifies for more than one person and one of the persons is a parent or parents, the non-parent can claim the child only if their AGI is higher than the parent(s). If the child qualifies another relative and the parent AGI rules do not apply, the taxpayers choose. If more than one person claims the same child, IRS applies the tiebreaker rules.



## ALTERNATE ELIGIBILITY RECORD (Due Diligence)

In accordance with Internal Revenue Service (IRS) Bulletin 97-65 and Internal Revenue Code (IRC), this form serves as Alternate Eligibility Checklist, and may be used IN LIEU of other forms of Due Diligence, including form 8867. Maintain this form with your client files.

### HEAD OF HOUSEHOLD ELIGIBILITY

You may file Head of Household if you can answer **YES** to **ALL** the following questions. (See Publication 17, Chpt 2&3)

- Yes  No      You are unmarried, or are considered unmarried on the last day of the year.
- Yes  No      You paid more than half the cost of keeping up a home for the year.
- Yes  No      A qualifying person (definition below) lived with you in the home for more than half the year (except temporary absences, such as school), and you can claim an exemption for him/her except as noted under Category 3 below.

A **qualifying person** requirements are: (See Table 2-1, Publication 17)

1. A qualifying relative such as parent, grandparent, brother, sister, stepbrother, stepsister, stepmother, stepfather, father-in-law, half-brother, half-sister, brother-in-law, sister-in-law, daughter-in-law, uncle, aunt, nephew, or niece who is related to you by blood and lived with you for the entire year.
2. Child, grandchild, stepchild, or adopted child.
3. Eligible foster child. (Note: For eligibility for dependent only a foster child is a child who is in your care, that you care for as your own child, and who lived with you the entire year. It does not matter how the child became a member of the household).

### EARNED INCOME CREDIT (EIC) ELIGIBILITY

You may claim the EIC if you can answer **YES** to **ALL** 4 tests below. (See publication 17, Chapter 36)

#### 1. Relationship Test

- Yes  No      Your child/ children is/are one of the following: a son, daughter, adopted child, stepchild, grandchild, or eligible foster child or is your brother, sister, stepbrother, stepsister (or the child or grandchild of your brother, sister, stepbrother, or stepsister), and you care for it/them as you would your own child.

#### 2. Age Test

- Yes  No      Your child/children is/are under 19 years of age at the end of the year, or is under 24 years of age at the end of the year and is a full-time student, or was permanently and totally disabled at any time during the tax year, regardless of age.

#### 3. Residency Test

- Yes  No      Your child/ children lived with you for more than half the year (or the whole year if an eligible foster child)
- Yes  No      Your home is in the United States

#### 4. Qualifying Child of another Test

- Yes  No      If your child/ children is/are the qualifying child/ children of another individual, you are the only person claiming the credit for that/ those child/children during the tax year. (Note: If the answer is NO, refer to the tiebreaker rule. You may still be able to take the credit.

### FOSTER CHILD ELIGIBILITY

The definition of a foster child has changed. For establishing eligibility for dependency, see above. For establishing eligibility for the Child Tax Credit and Earned Income Credit you must be able to answer **YES** to **ALL** the questions below.

- Yes  No      You cared for the child/ children as you would your own child.
- Yes  No      The child/ children lived with you for the entire year, except for temporary absences.
- Yes  No      The child/ children was/ were placed in your care by a State, one of its subdivision, or placement agency.

**I attest and affirm that the information provided to complete this Eligibility Checklist is true and correct to the best of my knowledge. I understand the IRS may randomly question eligibility and that if my tax return is randomly selected for review, that my return, refund, direct deposit, or any combination thereof may be delayed or denied.**

\_\_\_\_\_  
Taxpayers Signature

\_\_\_\_\_  
SSN

\_\_\_\_\_  
Date





**LIMITED POWER OF ATTORNEY**

Date: \_\_\_\_\_

I \_\_\_\_\_ (Taxpayer Name) and

\_\_\_\_\_ (Spouse Name) give Authorization to **Signature Tax** to prepare, sign and electronically file my federal and state income tax return elected to be filed by me under the Internal & State Revenue Code for taxable year **2022**. I acknowledge that the preparer who prepared my return has discussed with me the return, ask me questions that related to my tax issue, discussed all fees to include tax preparation fees, bank and administration fees.

I give **Signature Tax** permission to apply for the bank product that I choose per our discussion before the return is submitted to the IRS. **Signature Tax** has agreed not to submit my ta return until I give permission either by oral or email from my email listed below and the last four digits of my social security number to submit.

Taxpayer Name Print: \_\_\_\_\_

Taxpayer Signature: \_\_\_\_\_

Spouse Name Print: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_

Taxpayer Email: \_\_\_\_\_

---

Preparer name: \_\_\_\_\_

Preparer PTIN: \_\_\_\_\_



## **REFUND AUTHORIZATION AGREEMENT**

Please circle how you will receive your refund:

1. Direct Deposit
2. Rapid Card provided by STS
3. Check
4. Walmart

### **Direct Deposit Agreement**

I hereby authorize **Signature Tax** to initiate a one-time automatic deposit to my account at the financial institution named below.

Further, I agree not to hold responsible for any delay or loss of funds due to incorrect or incomplete information supplied by me or by my financial institution or due to an error on the part of my financial institution in depositing funds to my account.

### **Account Information**

Name of Financial Institution: \_\_\_\_\_

Routing Number: \_\_\_\_\_

Account Number: \_\_\_\_\_

Checking  Savings

### **Signatures**

Date: \_\_\_\_\_

Taxpayer Signature: \_\_\_\_\_

Taxpayer Printed Name: \_\_\_\_\_

# ***SIGNATURE TAX***

## **SELF EMPLOYED DUE DILIGENCE FORM**

BUSINESS NAME	
TAXPAYER NAME	SSN/EIN FOR BUSINESS
BUSINESS ADDRESS IF DIFFERENT FROM HOME	
BUSINESS TELEPHONE NUMBER	WEBSITE/SOCIAL MEDIA BUSINESS PAGE
PLEASE PROVIDE A DESCRIPTION OF YOUR BUSINESS	
DID YOU RECEIVE A 1099 MISC INCOME FOR THE INCOME REPORTED?	IS A LICENSE A REQUIREMENT OF YOUR OCCUPATION?
HOW DO YOU ADVERTISE FOR YOUR BUSINESS?	
By law, you are required to keep adequate records. What type of records do you maintain to verify business income and expenses? (Check all boxes that apply.)	
Accounting Records <input type="checkbox"/> Computer Records <input type="checkbox"/> Business Bank Accounts <input type="checkbox"/> Paid Invoices/Receipts <input type="checkbox"/> Rental Expense <input type="checkbox"/> Ledgers <input type="checkbox"/> Other: _____	Business Stationery <input type="checkbox"/> Insurance <input type="checkbox"/> Advertising <input type="checkbox"/> Car/Truck Expense <input type="checkbox"/> Log Books <input type="checkbox"/> Supplies <input type="checkbox"/>
Did you file state and/or local sales tax returns for the tax year?	

By signing this form, I agree that the information provided is true and correct to the best of my ability. I understand that I am responsible for keeping a record of payment for services provided for 3 years. I have been advised by my tax preparer that the IRS may require additional verification as proof of income at a later date and it is my responsibility to provide it if requested.

Taxpayer's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**BUSINESS NAME:** \_\_\_\_\_

**YEAR:** \_\_\_\_\_

**INCOME AND EXPENSES**

**INCOME**

SALES/REVENUE	<input type="text"/>	_____	<input type="text"/>
CASH	<input type="text"/>	_____	<input type="text"/>
OTHER INCOME	<input type="text"/>	_____	<input type="text"/>

**COST OF GOODS SOLD**

DISCOUNTS	<input type="text"/>	_____	<input type="text"/>
LABOR	<input type="text"/>	_____	<input type="text"/>
MATERIALS/SUPPLIES	<input type="text"/>	_____	<input type="text"/>

**EXPENSES**

ADVERTISING	<input type="text"/>	MISCELLANEOUS	<input type="text"/>
AUTO EXPENSES*	<input type="text"/>	OFFICE EXPENSE	<input type="text"/>
BAD DEBTS*	<input type="text"/>	POSTAGE/SHIPPING	<input type="text"/>
BANK FEES	<input type="text"/>	RENT*	<input type="text"/>
BUSINESS LICENSE	<input type="text"/>	REPAIRS*	<input type="text"/>
CELL PHONE	<input type="text"/>	SECURITY	<input type="text"/>
COMPUTER	<input type="text"/>	SOFTWARE	<input type="text"/>
CONSULTING	<input type="text"/>	TOOLS	<input type="text"/>
DUES/SUBSCRIPTIONS	<input type="text"/>	TRAINING	<input type="text"/>
EDUCATION*	<input type="text"/>	TRAVEL	<input type="text"/>
EQUIPMENT RENTAL	<input type="text"/>	UNIFORMS*	<input type="text"/>
GIFTS*	<input type="text"/>	UTILITIES*	<input type="text"/>
INDEP. CONTRACTORS*	<input type="text"/>		<input type="text"/>
INSURANCE	<input type="text"/>		<input type="text"/>
INTEREST	<input type="text"/>		<input type="text"/>
INTERNET*	<input type="text"/>		<input type="text"/>
MARKETING	<input type="text"/>		<input type="text"/>
MEALS*	<input type="text"/>		<input type="text"/>
		OTHER EXPENSES	<input type="text"/>
		_____	<input type="text"/>
		_____	<input type="text"/>
		_____	<input type="text"/>
		_____	<input type="text"/>
		_____	<input type="text"/>

**NET INCOME:** \_\_\_\_\_