



Larry K. Anderson, P.C.
Certified Public Accountant

Agreement for Preparing 2016 Individual Income Tax Returns

Thank you for the opportunity to assist you with the preparation of your individual income tax returns for 2016.

This letter will confirm the terms of our engagement with you and to clarify the nature and extent of the services we will provide regarding your income tax. The Internal Revenue Service imposes penalties upon taxpayers, and upon us as return preparers, for failure to observe due care in reporting for income tax returns. In order to ensure understanding of our mutual responsibilities, we ask all clients for whom we prepare tax returns to confirm the following arrangements.

We will prepare your 2016 federal and state income tax returns from information which you will furnish to us. We will make no audit or other verification of the data you submit, although we may need to ask you for clarification of some of the information. We will furnish you with questionnaires and/or worksheets to guide you in gathering the necessary information for us. Your use of such forms will assist us in keeping our fee to a minimum.

It is your responsibility to provide us with all the information required for the preparation of complete and accurate returns. You should retain all the documents, canceled checks and other data that form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign them.

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist. We will render such accounting and bookkeeping assistance as we find necessary for preparation of the income tax returns.

We will use our judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. Unless otherwise instructed by you, we will resolve such questions in your favor wherever possible.

(Continued on Page 2)

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The law provides various penalties that may be imposed when taxpayers understate their tax liability. If you would like information on the amount or circumstances of these penalties, please contact us.

Your returns may be selected for review by the 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 and will render additional invoices for the time and expenses incurred.

Our fee for these services will be based upon the amount of time required at our standard billing rates, plus out-of-pocket expenses, subject to the attached minimum fee schedule. All invoices are due and payable upon presentation. A late charge of 1.5 % per month will be assessed on all past due amounts.

If the foregoing fairly sets forth your understanding, please sign this letter in the space indicated and return it to our office.

We want to express our appreciation for this opportunity to work with you.

Sincerely,

Larry K. Anderson, CPA

Accepted By:	Your Signature	_____
	Date:	_____
	Name (Print)	_____
	Address	_____
	City, St, Zip	_____



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Minimum Fee Schedule - 2017

Personal Returns

Long Form - Includes Sch A	\$ 395
Interest & Dividends	50
Business/Farm	125-200
Cap Gains/Losses	75
Stock Sales up to 6	75
Rental Property - 1st Prop	85
Additional Prop. (ea)	60
K-1 S Corp, Partnership, Estate or Trust (ea)	25
Other Sale	35

Adjustments to Income

Moving Expense	35
Alimony Paid/Rec'd	15
Higher Education Expense	35
Teacher Deduction	5
Student Loan Interest	15

Tax Credits

Education Credits	75
Earned Income	10
Child Tax Credit	5
Child Care Credit	25
Foreign Tax	10
Other Tax Credits - Form 3800	45
Health Care Credit	125

Pension Items

IRA	25
SEP/Keogh	40
Rollover	15
Premature Distrib.	30
Min. Distrib. Calc.	45
Non-Deduct. IRA Dist	45

Other Schedules

Health Care Penalty	\$ 75
Home Office	75
Self-Employment Tax	10
Employee Bus. Expense	40-75
Non-Cash Contributions	35
Extensions (Automatic)	15
Extensions balance due	150
Estimated Tax	150
Underpayment Penalty	35
Passive Loss	50
Net Operating Loss	75
Investment Interest	15
Depreciation	55
Alt. Minimum Tax	85
Casualty Loss	55
Installment Sale - First Year	100
Installment Sale - Prior Year	35
Like Kind Exch.	175
Foreign Income	75
Cap. Loss C/F	35
Repossessions	200
Bad Debt Loss	40
Discharge of Debt	65
Sec 179 Recapture	30

Other Items

Out of State Return	125
Extra Copy of Return	10
Form W-4 Calculation	35
Re-run - Client Change	45
Trust Return	595
Corporation Return	695
Partnership Return	695
Audit Representation	180/hr

These are minimum fees assuming organized, neat, and complete information
There will be an additional charge for any schedule not listed and this will be discussed during your interview

Engagement letter agreements are required for all professional services



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PLEASE INCLUDE THE FOLLOWING DOCUMENTS
WITH YOUR TAX INFORMATION

- _____ 1. Your signed letter agreement.
- _____ 2. Your individual tax questionnaire.
- _____ 3. Your completed tax worksheet and itemized deduction checklist.
- _____ 4. All copies of W-2, 1099, and K-1 Forms.
- _____ 5. 1098 Forms reporting mortgage interest and property taxes paid.
- _____ 6. 1099 Forms reporting all stock and mutual fund sales for the year.
- _____ 7. Cost information for all stock and mutual funds sold.
- _____ 8. 1099 Forms reporting unemployment compensation, state tax refunds, social security benefits, interest and dividends received.
- _____ 9. 1099 Forms for all IRAs or retirement funds transferred or distributed.
- _____ 10. List of retirement plan contributions by date and type (IRA, ROTH, SEP, Simple, Keogh, etc.).
- _____ 11. Closing statements for all real estate purchases, sales, and refinancing.
- _____ 12. Social Security numbers of all dependents (if not previously supplied).
- _____ 13. Prior year tax returns (new clients only).
- _____ 14. Record of estimated tax payments made, including dates.
- _____ 15. Any other documents you feel may be needed.

Additional Information _____

2016 TAX YEAR WORKSHEET

Your name _____ SSN _____ Occupation _____
 Spouse name _____ SSN _____ Occupation _____
 Home Address _____
 City _____ State _____ Zip _____ County _____

Contact Numbers: Contact Info (You) Contact Info (Spouse) Birth dates
 Home _____ Cell _____ Cell _____ (T) _____
 Office _____ Email _____ Email _____ (S) _____

Dependents:	Name	Birth date	SSN	Relationship	Mos. lived with you during year

ITEMIZED DEDUCTION CHECKLIST

Medical Expenses

Prescription drugs \$ _____
 Health ins premiums \$ _____
 Medicare premiums \$ _____
 Long term care \$ _____
 Doctors/Dentists \$ _____
 Hospital \$ _____
 Medical lodging \$ _____
 Medical mileage \$ _____
 Lab and x-ray \$ _____
 Glasses, hearing aids \$ _____
 Other \$ _____

Taxes Paid

Real estate tax \$ _____
 Other property tax \$ _____
 State/local income tax \$ _____
 Sales tax paid (Cars, boats, etc) \$ _____

Interest Paid

Home mortgage 1st* \$ _____
 Home mortgage 2nd* \$ _____
 Investment interest expense \$ _____

*(If paid to an individual, provide name, address and SSN)

Education

Student loan interest \$ _____
 Education expenses* \$ _____

*(Provide student name, school, grade/level, date paid.)

Contributions **

Churches/Other \$ _____
 Goods donated \$ _____
 Charity mileage _____

Miscellaneous Employee Expenses

Union Dues \$ _____
 Work tools \$ _____
 Uniforms \$ _____
 Job seeking costs \$ _____
 Professional licenses \$ _____
 Professional dues \$ _____
 Trade/Prof. journals \$ _____
 Business mileage \$ _____
 Education Expenses \$ _____
 Teacher Expenses \$ _____

Other Miscellaneous

Investment expenses \$ _____
 Tax prep. fees \$ _____
 Alimony payments \$ _____
 IRA contributions \$ _____
 Safety deposit box \$ _____
 Day care expenses* \$ _____

*(Provide amount paid for each child, name, address, tax id for each payee)

Moving expenses \$ _____
 Est. taxes paid Fed* \$ _____
 Est. taxes paid State* \$ _____

*(List amounts and dates paid)

Additional Information _____

****Receipts or cancelled checks are for ALL contributions and written confirmations for contributions of \$250 or more must be in your possession.**



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INDIVIDUAL TAX QUESTIONNAIRE 2016

Please answer the following questions and provide details for any question answered "Yes":

	YES	NO
1. Has your marital status changed since your last return?	_____	_____
2. Will the address on your current returns be different from that shown on your prior year returns? If yes, provide the new address and date moved.	_____	_____
3. Were there any changes in dependents from the prior year? If yes, provide details.	_____	_____
4. Are you entitled to claim a dependent due to a divorce decree?	_____	_____
5. Did any of your dependents have income of \$1,000 or more? (\$400 if self-employed)	_____	_____
6. Did any of your children under age 19 (24 if a full time student) have investment income over \$2,000? If yes, do you want to include your child's income on your return?	_____	_____
7. Are any dependent children married and filing a joint return with their spouse?	_____	_____
8. Did any dependent child 19-23 years of age attend school less than 5 months during the year?	_____	_____
9. Were any members of your household <u>not</u> covered by Health Insurance for all months in 2016?	_____	_____
10. Did you purchase health insurance through a public exchange? If yes, provide Form 1095	_____	_____
11. Did you receive income from any legal proceedings, cancellation of student loans or other indebtedness during the year? If yes, furnish details.	_____	_____
12. Did you realize a gain on property, which was taken from you by destruction, theft, seizure or condemnation?	_____	_____
13. Did you sell, purchase or refinance a principal residence or other real estate? If yes, provide settlement sheet (HUD-1) and Form 1099-S.	_____	_____
14. Did you receive tip income not reported to your employer?	_____	_____
15. Did you use any mortgage loan proceeds for any purpose other than to buy or improve your home?	_____	_____
16. Did you surrender any U.S. savings bonds, or use EE bonds to pay for education expenses?	_____	_____
17. Did you receive any disability payments this year?	_____	_____
18. Did you or do you wish to make an IRA or Roth IRA contribution? Provide details.	_____	_____
19. Did you "convert" IRA funds into a Roth IRA? If yes, provide details.	_____	_____
20. Did you receive any distribution from an IRA or other qualified plan that was partially or totally rolled over into another IRA or qualified plan within 60 days of the distribution?	_____	_____
21. If you received an IRA distribution, which you did not rollover, provide details (Form 1099R).	_____	_____
22. If you are age 70 or older, did you fail to withdraw your required minimum distributions from IRAs and/or pensions?	_____	_____
23. Did you contribute to or receive distributions from a Health Savings Account? If yes, provide details.	_____	_____
24. Were you granted any restricted stock or stock options, or did you exercise any stock options? If yes, provide details.	_____	_____
25. Did you receive tax-exempt interest or dividends? If yes, provide amounts if not reported on Form 1099.	_____	_____
26. Did you receive unemployment compensation? If yes, provide Form 1099.	_____	_____
27. Do you have any worthless securities or any loans that became uncollectible this year?	_____	_____
28. Did you collect on any installment contracts? If yes, provide details.	_____	_____
29. Did you receive or pay any Alimony during the year? If yes, provide details.	_____	_____
30. Did you have any casualty or theft losses during the year? If yes, provide details.	_____	_____
31. Did you have foreign income or pay any foreign taxes? Did you have any interest in, or signature, or other authority over a bank, securities, or other financial account in a foreign country? Were you the grantor, transferor or beneficiary of a foreign trust?	_____	_____

(OVER)



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INDIVIDUAL TAX QUESTIONNAIRE 2016

Please answer the following questions and provide details for any question answered "Yes":

- | | YES | NO |
|--|-------|-------|
| 32. Did you make any energy efficient improvements to your home? If yes, provide details. | _____ | _____ |
| 33. Did you incur expenses as an elementary or secondary educator? If yes, provide details. | _____ | _____ |
| 34. If you or your spouse has self-employment income, do you want to make a retirement plan contribution? | _____ | _____ |
| 35. If you or your spouse has self-employment income, did you pay any health insurance premiums or long term care premiums? | _____ | _____ |
| If yes, were you or your spouse eligible to participate in an employer's health insurance or long term care plan? | _____ | _____ |
| 36. Did you pay any household employee over age 18 wages of \$1,800 or more? | _____ | _____ |
| 37. Did you make any gifts during the year directly or in trust exceeding \$14,000 per person? | _____ | _____ |
| 38. Did you start a business? | _____ | _____ |
| 39. Did you purchase rental property? | _____ | _____ |
| 40. Did you acquire or dispose of any interests in partnerships, LLCs or S corporations this year? Provide K-1. | _____ | _____ |
| 41. Do you have records to support travel and entertainment expenses? The documentation should include amount, time and place, date, business purpose, description of gift(s) (if any), and business relationship of recipient(s). | _____ | _____ |
| 42. Were you a resident of, or did you earn income in, more than one state during the year? | _____ | _____ |
| 43. Do you owe sales/use tax from out of state purchases? | _____ | _____ |
| 44. Do you expect a large fluctuation in your income, deductions or withholding next year? | _____ | _____ |
| 45. Do you or your spouse have any outstanding child or spousal support payments or federal debt? | _____ | _____ |
| 46. Are you aware of any changes to your income, deductions and credits reported on a prior year's returns? | _____ | _____ |
| 47. Has the IRS, or any state or local taxing agency, notified you of changes to a prior year's tax return? If yes, provide copies of all notices/correspondence received. | _____ | _____ |
| 48. If you owe federal tax upon completion of your return, are you able to pay the balance due? | _____ | _____ |
| 49. Do you want any overpayment of taxes applied to next year's estimated taxes? | _____ | _____ |
| 50. Do you want any remaining federal refund deposited directly to your bank account? If yes, enclose a voided check. | _____ | _____ |
| 51. Do you want any balance due directly withdrawn from this same bank account on the due date? | _____ | _____ |
| 52. Do you want next years estimated tax payments withdrawn from this same bank account on the due date? | _____ | _____ |
| 53. Do you wish to have \$3 (or \$6 on joint return) of your taxes applied to the Presidential Campaign Fund? | _____ | _____ |
| 54. Do you wish to contribute to any state fund(s)? If yes, indicate amount(s) and which fund(s): | _____ | _____ |
| 55. Do you want your copies of your returns printed on paper? Check NO to download from our secure web site and help us save paper and printing costs. | _____ | _____ |

Tax Year	<u>2016</u>	Taxpayer's Name	_____
Date	_____	Taxpayer's Signature	_____
Date	_____	Preparer's Signature	_____