



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

## Agreement for Preparing 2019 Individual Income Tax Returns

Thank you for the opportunity to assist you with the preparation of your individual income tax returns for 2019.

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 2019 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.

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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 - 2020

#### Personal Returns

Long Form - Includes Sch A	\$ 450
Interest & Dividends	50
Business/Farm	125-200
Cap Gains/Losses	75
Stock Sales up to 6	75
Rental Property - 1st Prop	95
Additional Prop. (ea)	60
K-1 S Corp, Partnership, Estate or Trust (ea)	25
Other Sale	35

#### Adjustments to Income

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	75

#### Pension Items

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

#### Other Schedules

Home Office	\$ 85
Self-Employment Tax	10
Qual Bus Income Deduction	50
Non-Cash Contributions	35
Extensions (Automatic)	15
Extensions balance due	175
Estimated Tax	175
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	650
Corporation Return	750
Partnership Return	750
Audit Representation	200/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. 1095 Forms for health insurance coverage.
- \_\_\_\_\_ 11. 1098-T for education expenses.
- \_\_\_\_\_ 12. List of retirement plan contributions by date and type (IRA, ROTH, SEP, Simple,  
Keogh, etc.).
- \_\_\_\_\_ 13. Closing statements for all real estate purchases, sales, and refinancing.
- \_\_\_\_\_ 14. Social Security numbers of all dependents (if not previously supplied).
- \_\_\_\_\_ 15. Prior year tax returns (new clients only).
- \_\_\_\_\_ 16. Record of estimated tax payments made, including dates.
- \_\_\_\_\_ 17. Any other documents you feel may be needed.

**Additional Information** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## 2019 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 \_\_\_\_\_ (You) \_\_\_\_\_  
 Office \_\_\_\_\_ Email \_\_\_\_\_ Email \_\_\_\_\_ (Spouse) \_\_\_\_\_

Dependents:	<u>Name</u>	<u>Birth date</u>	<u>SSN</u>	<u>Relationship</u>	<u>Mos. lived with you during year</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

### 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)

**Contributions \*\***

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

**Day care expenses\***                      \$ \_\_\_\_\_  
 \*(Provide amount paid for each child, name, address, tax id for each payee)

**Education**

Student loan interest                      \$ \_\_\_\_\_  
 Education expenses\*                      \$ \_\_\_\_\_  
 \*(Provide student name, school, grade/level, date paid.)

Alimony payments                      \$ \_\_\_\_\_  
 IRA contributions\*                      \$ \_\_\_\_\_  
 \*(Please indicate Roth or Traditional)

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 when your return is filed.**



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### INDIVIDUAL TAX QUESTIONNAIRE 2019

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 unearned income of \$1,100 or more? (\$350 if self-employed)  | _____ | _____ |
| 6. Did any dependent child 19-23 years of age attend school less than 5 months during the year?  | _____ | _____ |
| 7. Are any dependent children married and filing a joint return with their spouse?   | _____ | _____ |
| 8. Did you purchase health insurance through a public exchange? If yes, provide Form 1095  | _____ | _____ |
| 9. Did you receive income from any legal proceedings, cancellation of student loans or other indebtedness during the year? If yes, furnish details.  | _____ | _____ |
| 10. Did you receive proceeds on property, which was taken from you by destruction, theft, seizure or condemnation?   | _____ | _____ |
| 11. Did you sell, purchase or refinance a principal residence or other real estate? If yes, provide settlement sheet (HUD-1) and Form 1099-S.  | _____ | _____ |
| 12. Did you use any mortgage loan proceeds for any purpose other than to buy or improve your home?   | _____ | _____ |
| 13. Did you surrender any U.S. savings bonds, or use EE bonds to pay for education expenses?   | _____ | _____ |
| 14. Did you receive any Social Security or disability payments this year?  | _____ | _____ |
| 15. Did you or do you wish to make an IRA or Roth IRA contribution? Provide details.   | _____ | _____ |
| 16. Did you "convert" IRA funds into a Roth IRA? If yes, provide details.  | _____ | _____ |
| 17. 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?  | _____ | _____ |
| 18. If you received an IRA distribution, which you did not rollover, provide details (Form 1099R).   | _____ | _____ |
| 19. If you are age 70 or older, did you fail to withdraw your required minimum distributions from IRAs and/or pensions?  | _____ | _____ |
| 20. If over 70 ½ did you contribute from your IRA directly to a charitable organization?   | _____ | _____ |
| 21. Did you contribute to or receive distributions from a Health Savings Account? If yes, provide details.   | _____ | _____ |
| 22. Were you granted any restricted stock or stock options, or did you exercise any stock options? If yes, provide details.  | _____ | _____ |
| 23. Did you receive unemployment compensation? If yes, provide Form 1099.  | _____ | _____ |
| 24. Do you have any worthless securities or any loans that became uncollectible this year?   | _____ | _____ |
| 25. Did you collect on any installment contracts? If yes, provide details.   | _____ | _____ |
| 26. Did you receive or pay any Alimony during the year? If yes, provide details.   | _____ | _____ |
| 27. 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? | _____ | _____ |
| 28. Did you use, receive, purchase, or sell cryptocurrency (Bitcoin)?  | _____ | _____ |
| 29. Did you make any energy efficient improvements to your home? If yes, provide details.  | _____ | _____ |
| 30. Did you incur expenses as an elementary or secondary educator? If yes, provide details.  | _____ | _____ |
| 31. Were you or your spouse eligible to participate in an employer's health insurance plan?  | _____ | _____ |

(OVER)



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### INDIVIDUAL TAX QUESTIONNAIRE 2019

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

- |  | YES   | NO    |
|--|-------|-------|
| 32. Did you pay any household employee over age 18 wages of \$2,100 or more? If yes, please provide W2s.   | _____ | _____ |
| 33. Did you make any gifts during the year directly or in trust exceeding \$15,000 per person?   | _____ | _____ |
| 34. Did you start a business?  | _____ | _____ |
| 35. Did you purchase rental property?  | _____ | _____ |
| 36. Did you acquire or dispose of any interests in partnerships, LLCs or S corporations this year? Provide K-1.  | _____ | _____ |
| 37. Do you have records to support business travel and meal expenses? The documentation should include amount, time and place, date, business purpose, description of gift(s) (if any), and business relationship of recipient(s). | _____ | _____ |
| 38. Were you a resident of, or did you earn income in, more than one state during the year?  | _____ | _____ |
| 39. Do you owe sales/use tax from out of state purchases?  | _____ | _____ |
| 40. Do you expect a large fluctuation in your income, deductions or withholding next year?   | _____ | _____ |
| 41. 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.   | _____ | _____ |
| 42. If you owe federal tax upon completion of your return, are you able to pay the balance due?  | _____ | _____ |
| 43. Do you want any overpayment of taxes applied to next year's estimated taxes?   | _____ | _____ |
| 44. Do you want any federal or state refund deposited directly to your bank account? If yes, enclose a voided check.   | _____ | _____ |
| 45. Do you want any balance due directly withdrawn from this same bank account on the due date?  | _____ | _____ |
| 46. Do you wish to have \$3 (or \$6 on joint return) of your taxes applied to the Presidential Campaign Fund?  | _____ | _____ |
| 47. Do you wish to contribute to any state fund(s)? If yes, indicate amount(s) and which fund(s):  | _____ | _____ |
| 48. May the preparer discuss your returns with the IRS or state tax authorities?   | _____ | _____ |
| 49. 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.   | _____ | _____ |

Additional Information or Questions? \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Tax Year	_____ 2019 _____	Taxpayer's Name	_____
Date	_____	Taxpayer's Signature	_____
Date	_____	Preparer's Signature	_____