



Integrated Tax Consultants, LLC

358 US Route 1 • Suite 101 • Falmouth, Maine 04105

2023 INDIVIDUAL TAX RETURN ENGAGEMENT LETTER [CG]

Dear Client:

Thank you for selecting Integrated Tax Consultants, LLC to assist you with your individual tax returns. This letter serves to confirm the terms of our engagement with you and the nature and extent of the services we will provide.

We will prepare your **2023 federal, state, and local income tax returns** that you specify in the information you provide to us. Our services are not intended to determine whether you have filing requirements in state, local or foreign taxing jurisdictions other than those which you specify. We may ask for clarification of some items, but we will not audit or otherwise verify the data you submit.

The scope of this engagement is the preparation of your individual tax returns. Other services requested are outside of the scope of this engagement and will be billed separately. These items include, but are not limited to, budgeting, representation and responses on tax return notices, audits, and year-end planning.

It is your responsibility to provide the information required for preparation of complete and accurate returns. You should keep all documents, cancelled checks, and other data that support your reported income and deductions. These documents may be necessary to prove the accuracy and completeness of your returns to a taxing authority.

You represent that the information you are supplying to us is accurate and complete to the best of your knowledge and that your expenses for meals, entertainment, travel, business gifts, charitable contributions, dues and memberships, and vehicle use are supported by records as required by law. We will not verify the information you give us; however, we may ask you for clarification.

Furthermore, you represent that you are in compliance with Maine state medical marijuana laws, Maine Adult Use laws, the Agriculture Improvement Act of 2018 (the 2018 Federal Farm Bill), as well as any related regulations. ITC will, in no way, provide legal advice, auditing, or attestation services related to your legal marijuana and/or hemp/CBD business. ITC will solely provide tax reporting services using only the information you provide. Common focus areas of audit by taxing agencies are inventory and cash on hand. Please provide details of your inventory and cash on hand as of December 31st, 2023.

Tax return preparation services do not constitute accounting or auditing services. Our work will not include any procedures to discover defalcations or other irregularities. The only accounting or analysis work we will do is that which is necessary for the preparation of your income tax returns.

Materials are due for 2023 Individual Tax Returns by **Monday, March 11, 2024**. Please be aware that if you submit any tax materials after this date, we do not guarantee that your returns will be filed to meet the IRS deadline. In the instance where materials are not received by this date, we will file an Extension to File on your behalf. **An extension DOES NOT extend the time to pay your tax liability**; it only extends the time (by 6 months) to file your Returns. Therefore, we will need to be able to calculate an **approximate tax liability and determine the amount, if any, to be remitted with your extension(s)**. In order for us to be able to do this, any and all materials that you do have in your possession, along with estimates of your income and deductions, must be submitted to us by April 1, 2024. You will be responsible for any additional costs ITC incurs arising from the extension preparation.

We will bill you for services based on our standard billing rates. Our expectation is that this work will be completed at an average hourly rate of \$295. This has been consistent with past invoicing but is only an approximation. Should we incur the need to involve additional expertise, which would bill at a higher rate, we will advise you before commencing such work. In the instance where you fail to submit your tax materials by March 11, 2024 (or September 9, 2024 for extension deadline), but you still need the business returns filed by April 17th (or October 15th for the extension deadline), and we are able to accommodate this request, tax work will be completed at an hourly rate of \$400.

It is the policy of Integrated Tax Consultants, LLC that payment is due upon completion of any engagement. Invoices must be paid in full or other payment arrangements made prior to the release of e-filing authorization and the e-filing of any returns, or if your returns are to be paper filed, filing, or providing filing copies to you. If our records show that your account is not current, payment must be made to continue with any future work. If a balance is owed, please call our office (207-805-1040) immediately to resolve this matter.

The IRS considers virtual currency (i.e. Bitcoin) as property for U.S. federal income tax purposes. As such, any transactions in, or transactions that use, virtual currency are subject to the same general tax principles that apply to other property transactions. If you had virtual currency activity during the tax year a separate engagement letter will be necessary to complete your tax filings.

All United States citizens and residents with financial interest in or signature or other authority over any foreign financial account are required to report this relationship to the Department of the Treasury if the aggregate value of these accounts exceed \$10,000 at any time during the calendar year. It is your responsibility to make us aware of those accounts and advise us of any transactions with any foreign trusts. You must also advise us if you own any other foreign assets, so that we can determine whether you have any additional reporting requirement related to those assets. Failure to report foreign assets may subject you to substantial monetary and criminal penalties.

Integrated Tax Consultants has always stood behind the advice we provide to our clients, whether verbally or in writing. However, practice requirements now regulate written communications from our firm, including email, about federal tax matters. As a result, we are required to inform you that unless we provide you with written tax advice or a tax opinion, you may not rely on our advice to avoid federal tax penalties. In the event you desire written tax advice on which you may rely for protection from the imposition of penalties, we encourage you to discuss the matter with us.

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 you instruct us otherwise, we will apply the "substantial authority" standard to resolve such issues in your favor where possible. This standard requires us to make a determination about whether there is a greater than forty percent chance of successfully defending a tax position based upon statutory, judicial, and other precedential authority.

The law imposes penalties when taxpayers understate their tax liability. In certain circumstances, penalties may be reduced by disclosing uncertain tax positions on Form 8275. We will bring to your attention any position we feel does not meet the "substantial authority" standard and determine whether you wish to take that position in your return by filing Form 8275.

Your returns may be selected for audit by a taxing authority. Any proposed adjustments are subject to appeal. In the event of a tax examination, we can arrange to be available to represent you. Such representation will be a separate engagement and may require an additional engagement letter. Fees and expenses for defending the returns will be invoiced in accordance with the terms we agree on for that engagement. If no additional engagement letter is signed, this work will be completed at an average hourly rate of \$400.

Our firm has procedures and policies in place to protect your confidential information. We restrict access to your confidential information only to those within our firm who need to know in order to provide you with services. We will not disclose your personal information to any third party without your express permission, except where required by law. Integrated Tax Consultants' failure to secure written client consent prior to transferring tax return information could result in the imposition on us of up to a \$1,000 fine and up to a year in prison for the responsible individual(s). As a result, we intend to adhere to this policy without exception. Please contact us with any questions regarding our privacy policy.

Sincerely,

Integrated Tax Consultants, LLC

PLEASE PRINT YOUR NAME AND YOUR SPOUSE'S NAME IN THE SPACES PROVIDED AND SIGN AND DATE THIS AGREEMENT

To indicate that this letter correctly summarizes your understanding of the arrangements for this work, please sign and fill in the spaces indicated below. No services will begin for the 2023 tax filings until we receive the signed and dated engagement letter.

I/we _____ *TAXPAYER NAME* _____ and _____ *SPOUSE NAME* _____ would like to engage Integrated Tax Consultants as our accountants for our 2023 taxes. I/we have read the above engagement letter and agree to the terms of service listed.

ACCEPTED BY:

Taxpayer Signature: _____ Date: _____

Spouse Signature: _____ Date: _____