

Engagement Letter for Individual Tax Extension



Thank you for choosing Crystal Clear Tax Solutions Inc to assist you with your **2024** federal tax extension. This Client Service Agreement “CSA” confirms the terms of our engagement with you and outlines the nature and extent of the services we will provide. This CSA explains what you should expect from Crystal Clear Tax Solutions Inc (us). It also explains what is needed from you so that we can provide the quality service you expect. This CSA contains an Arbitration Agreement, the terms of which are set forth below.

We will prepare your **2024** Federal Tax Extension (generally form 4868) and provide other auxiliary services **you request**. You agree to receive text messages from us with varying frequency regarding this engagement (Data & Message rates may apply). You may opt-out by replying STOP. We will depend on you to provide the information we need to prepare a complete and accurate extension. **You agree to provide** information related to all services you receive, including your W-2(s) and other information that affects your tax situation, **and to verify the accuracy of this information**. We may ask you to clarify some items but will not audit or otherwise verify the data you submit. We will not perform any compliance checks. If you discover that you did not provide complete and accurate information, you agree to Crystal Clear Tax Solutions Inc harmless.

We will perform accounting services only as needed to estimate your tax liability at an additional cost. Our work will not include procedures to find defalcations or other irregularities. Accordingly, our engagement should not be relied upon to disclose errors, fraud, or other illegal acts, though it may be necessary for you to clarify some of the information you submit. We will, of course, inform you of any material errors, fraud, or other illegal acts we discover. The law imposes penalties when taxpayers underestimate their tax liability. Please call us if you have concerns about such penalties. Should we encounter instances of unclear tax law, or of potential conflicts in the interpretation of the law, we will outline the reasonable courses of action and the risks and consequences of each. We will ultimately adopt, on your behalf, the alternative you select. In the case of clear tax law, we will not prepare your return in a manner opposing to such law.

Our fee will be a flat amount to prepare and file your extension. It is possible your extension will require additional bookkeeping, receipt management or other accounting services which are not included in the flat extension fee. Fees for these additional services will be clearly stated on your invoice. In some situations we may require a retainer before work will commence. If a retainer is required you will be provided an invoice detailing the amount and how it will be applied to your services. Invoices are due and payable upon presentation. To the extent permitted by state law, an interest charge may be added to all accounts not paid within thirty (30) days. Extension documents will not be released to you or to any taxing authority, government agency, or other entity/person until payment of preparation fees has been made in full. Additionally, your signature on this document is required for your extension to be electronically filed with the IRS.

We will return your original records to you at the end of this engagement. You should securely store these records, along with all supporting documents, canceled checks, etc., as these items may later be needed to prove accuracy and completeness of your extension. If you are unable to pick up your documents in person, you will pay the then current postage fee for Priority Mail through USPS to have them delivered to your address of record. Please see our Record Retention Policy for additional information.

Our engagement to prepare your **2024** federal tax extension will conclude with the either the e-filing of or delivery of the completed extension form to you (if paper-filing). If you have not selected to e-file your extension with our office, you will be solely responsible to file the extension with the appropriate taxing authorities. Review all documents carefully before mailing them. Some taxpayers may have extensions to file that are not eligible for e-filing. We will deliver a Mail-In copy of such extensions with instructions, which you are responsible to file by mail. We have the right to terminate this agreement without cause, though we will inform you if we intend to do so.

The use and disclosure of your information is governed by the Privacy Notice provided to you with this document. You may request a digital copy by contacting our office. Crystal Clear Tax Solutions Inc may provide you technology services in order to facilitate e-filing and other tax preparation related technology services on your behalf. We have license to provide these services, but do not grant any copyrights, patent rights, trademarks, or other intellectual property rights to you, either expressly or by implication.

THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION

Signatures. The Crystal Clear Tax Solutions Inc Parties agree to be bound by the terms above. I have the authority to sign on behalf of the taxpayer(s), and I understand and voluntarily agree to the terms of the Arbitration Agreement described herein, as well as all other terms, conditions and disclosures presented in this Client Service Agreement.

TAXPAYER

Signature: _____

Printed Name: _____

Date: _____

SPOUSE (MFJ)

Signature: _____

Printed Name: _____

Date: _____

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ARBITRATION IF A DISPUTE ARISES (“ARBITRATION AGREEMENT”)

- 1. Scope of Arbitration Agreement.** All disputes and claims between you and any one or more of the Crystal Clear Tax Solutions Inc Parties (as defined below) shall be resolved through binding individual arbitration unless you opt out of this Arbitration Agreement using the process explained below. However, either you or the Crystal Clear Tax Solutions Inc Parties may bring an individual claim in small claims court, as long as it is brought and maintained as an individual claim. All issues are for the arbitrator to decide, except that issues relating to the validity, enforceability, and scope of this Arbitration Agreement, including the interpretation of paragraph 3 below, shall be determined by the court and not the arbitrator. For purposes of this Arbitration Agreement, the term “Crystal Clear Tax Solutions Inc Parties” shall include Crystal Clear Tax Solutions Inc and any of their direct or indirect subsidiaries and affiliates. This term also includes the predecessors, successors, officers, directors, agents, employees, and franchisees of any of them.

Right to Opt Out of This Arbitration Agreement: You are not required to accept arbitration even though you must sign this CSA to receive service today. You may opt out of this Arbitration Agreement within the first 60 days after you sign this CSA by fully filling out the form found at our local office or by sending a signed letter to Arbitration Opt-Out, Crystal Clear Tax Solutions Inc., 17460 Shelley Ave, Sandy, OR 97055. The letter should include your printed name, the first five digits of your Social Security Number, state, zip code, and the words “Reject Arbitration.” If you opt out of this Arbitration Agreement, any prior arbitration agreement shall remain in force and affect.

- 2. How Arbitration Works.** Either party may initiate arbitration, which shall be conducted by the American Arbitration Association (“AAA”) pursuant to its Consumer Arbitration Rules (“AAA Rules”), as modified by this Arbitration Agreement. The AAA Rules are available on the AAA’s website www.adr.org, or by calling the AAA at (800)778-7879. In the event the AAA is unavailable or unwilling to hear the dispute, the parties shall agree to, or the court shall select, another arbitration provider. Unless you and the Crystal Clear Tax Solutions Inc Parties agree otherwise, any arbitration hearing shall take place in the county of your residence. We encourage you to call (855)267-2202 in advance of filing a claim for arbitration to see if the dispute can be resolved prior to arbitration.
- 3. Waiver of Right to Bring Class Action and Representative Claims.** All arbitrations shall proceed on an individual basis. The arbitrator is empowered to resolve the dispute with the same remedies available in court, including compensatory, statutory, and punitive damages; attorneys’ fees; and declaratory, injunctive, and equitable relief. However, any relief must be individualized to you and shall not affect any other client. The arbitrator is also empowered to resolve the dispute with the same defenses available in court, including but not limited to statutes of limitation. **You and the Crystal Clear Tax Solutions Inc Parties also agree that each may bring claims against the other in arbitration only in your or their respective individual capacities and in so doing you and the Crystal Clear Tax Solutions Inc Parties hereby waive the right to a trial by jury, to assert or participate in a class action lawsuit or class action arbitration, to assert or participate in a private attorney general lawsuit or private attorney general arbitration, and to assert or participate in any joint or consolidated lawsuit or joint or consolidated arbitration of any kind.** If a court decides that applicable law precludes enforcement of any of this paragraph’s limitations as to a particular cause of action, then that cause of action (and only that cause of action) must remain in court and be severed from any arbitration. The Crystal Clear Tax Solution Parties do not consent to, and the arbitrator shall not have the authority to conduct, any class action arbitration, private attorney general arbitration, or arbitration involving joint or consolidated claims, under any circumstance.
- 4. Arbitration Costs.** The Crystal Clear Tax Solutions Inc Parties will pay all filing, administrative, arbitrator and hearing costs on any claim they bring against you. You will pay all filing, administrative, arbitrator and hearing costs on any claim you bring against them.
- 5. Other Terms & Information.** This arbitration Agreement shall be governed by, and interpreted, construed, and enforced in accordance with, the Federal Arbitration Act and other applicable federal law. Except as set forth above, if any portion of this Arbitration Agreement is deemed invalid or unenforceable, it will not invalidate the remaining portions of the Arbitration Agreement.

Privacy & Record Retention Policy

PRIVACY POLICY

Crystal Clear Tax Solutions Inc. takes your privacy seriously. Please read the following privacy policy.

We collect nonpublic personal information about you from various sources, including:

- Interviews regarding your tax situation
- Applications, organizers, or other documents that supply such information as your name, address, telephone number, Social Security Number, number of dependents, income, and other tax-related data
- Tax-related documents you provide that are required for processing tax returns, such as Forms W-2, 1099-R, 1099-INT, and 1099-DIV, and stock transactions

We do not disclose any nonpublic personal information about our clients or former clients to anyone, except as requested by our clients in writing or as required by law.

We restrict access to personal information concerning you, except to our employees who need such information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your personal information.

RECORD RETENTION POLICY

HERE'S THE GREEK:

It is our policy to keep work papers related to client engagements for 5 years. Upon the expiration of the 5 year period we will destroy our work papers and mail to you any of your original documents in our possession, and you, our client, will be deemed to have agreed to this unless we are specifically notified in writing (sent certified, return receipt requested) to the contrary.

Commensurate with this action, it is the responsibility of each client to keep us informed of a current address in the event communication is required or deemed appropriate.

HERE'S THE ENGLISH VERSION

To keep several years worth of client files is not a problem, but retaining client records for much longer can become extremely cumbersome and costly (storage space alone can cost over \$100 per month). Therefore, every tax firm has to develop some procedure for dealing with "older" client records. Now, let's be honest...clients would love it if we kept work papers for decades!! That sounds great, but we'd need a whole self-storage unit to do that. It's just not practical.

So, like it says above (in Greek), after 5 years we are going to destroy our work papers. Note the use of the term "our" work papers. That's important because we are NOT talking about any of your original documents. We give those back to you each year. You are always responsible to keep those in a safe place (yes, we have copies, but don't rely on that solely). If you fail to pick them up from us, after 5 years we will mail them to the address of record via the United States Postal Service using Priority Mail and you will be responsible for the cost of the postage.

What we are talking about destroying is *our* work paper files. So, for example, a tax return file will contain a copy of the tax returns for that year, copies of pertinent documents (you keeping the originals) and some work papers we generated to complete the returns. That is what we will destroy.

Now, some of you know that we keep a special file called a CTF (Continuing Tax File) for each client. In that file we keep items of a continuing nature. For example, Articles of Incorporation, POA's, information regarding installment sales, and many other such items. WE DO NOT DESTROY THESE ITEMS UNTIL THEY ARE NO LONGER CURRENT (and then we wait 5 years).

Feel free to call with any questions.



EXTENSION Request

Tax Year _____

Taxpayer Name: _____ Spouse Name (If MFJ/MFS): _____

Taxpayer: SSN _____ DOB _____ Mailing Address _____
Spouse: SSN _____ DOB _____
Email _____ Phone _____

1. Due to the nature of tax season, we cannot guarantee that your taxes will be complete on time unless we have ALL of your information by the last day in February. If you cannot meet this deadline, please indicate your choices below.
- "I am dropping off my tax docs after the above deadline. I understand that I may be required to file an extension due to the timing of drop off tax preparation, at the discretion of Crystal Clear Tax Solutions Inc."
2. If you know that you want an extension, please indicate by checking the box(es) and signing below. Please note if you do not return this form to us before April 1st, you will need to make arrangements to speak with our front desk staff in order to have an extension filed.
- "Please electronically file an extension on my behalf. I understand that an extension gives me an extra 6 months to file my tax return, however, it does not give me any extra time to pay taxes I may owe.
3. I NEED TO MAKE A PAYMENT – "I believe I will owe tax and I would like to make a payment with my extension. Please indicate on my extension that I will send payments (by the due date(s)) as follows"
- Federal Payment to IRS \$ _____ Oregon Payment to DOR \$ _____
- "I will mail my extension payments with payment vouchers you provide"
- "I would like CCTAX to send a payment electronically with my extension to the IRS. I request the following date for payment _____ and the amount as indicated above. Please use the following bank account for the payment:
- Name of bank _____ Routing # _____ Acct # _____ account type
checking _____ savings _____

NOTICE

E-filing of an extension requires a signature from the taxpayer (and spouse if filing jointly). Your signature on page 1 of this document gives Crystal Clear Tax Solutions Inc permission to e-file your 2024 Federal Tax Extension. If you choose to make a payment via direct debit from your bank account, you will need to sign an additional form authorizing said payment. Your signature(s) on the required forms and payment of the extension fee must be completed prior to your extension being filed.

By selecting to e-file an automatic 6-month extension, we will send the appropriate forms to the IRS on your behalf. The cost for this extension is \$50.00. It is our advice that you pre-pay your taxes if you believe you will owe. If you do not pay prior to the un-extended due date of the tax return, you will be responsible for penalties and interest associated with failure to pay on time. If you would also like to make any payment(s), and have indicated above, we will prepare payment vouchers to accompany your extension, which can be picked up in our office, mailed to you, or sent to your secure client portal account, unless you choose to pay by direct debit from your bank account.



Crystal Clear Tax Solutions Inc

“Helping you put the pieces together”

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EXTENSION EXPLAINED (FAQs)

This is a simplified explanation of what it means to file an extension for your personal or business tax returns.

EXTRA TIME

Filing an extension gives you an extra 6 months to complete and **file** your tax returns. If the original due date of the return is April 15, after filing an extension you will have until October 15 to file and have your tax returns considered filed on time.

WHAT HAPPENS IF I FILE AFTER THE DUE DATE?

If you file after the due date without an extension, or you file after the extended due date, your tax returns will be late. This means you will be subject to the failure-to-file penalty. The late filing penalty is assessed on the tax due on the returns. The rate of penalty depends on the return and how late it is. For IRS and Oregon the penalties range from 5% to 100% of the tax due. This penalty is separate from the failure-to-pay penalty and it does accrue interest.

This is why we recommend that you file an extension, even if you are going to owe and cannot pay your tax. At least you can avoid the failure-to-file penalty!

WHAT HAPPENS IF I FILE LATE BUT DON'T OWE ANY TAXES?

There is usually no penalty for filing your tax return late if you are due a refund, however, refunds are only issued for 3 years from the filing due date – so don't delay. As always, we recommend you get individualized advice regarding any failure-to-file penalty you may be assessed.

WHAT AN EXTENSION DOES NOT DO

An extension does **not** give you any extra time to pay taxes you owe. If you owe taxes, the money is still due on the original due date, which for most taxpayers is April 15. If you owe taxes on an extended tax return and have not paid on or before the original due date, you will pay a failure-to-pay penalty and interest. This is why we recommend that you **pay any tax you expect to owe with your extension request.**

SEE NEXT PAGE FOR PAYING TAXES

HOW DO I PAY TAXES I OWE BEFORE I FILE?

If you file an extension and think you will owe taxes, you should make an extension payment. We will provide you with payment vouchers to mail with checks. These may be provided in hardcopy (printed and handed to you) or via the portal for download. You can also pay Oregon through their website: Oregon.gov/dor. You will need to login or create an account using their Revenue Online service. For federal taxes you can pay through IRS.gov. Search for direct pay, and follow the on screen instructions. Be sure to choose the correct tax year, return type (1040 for most taxpayers) and extension payment for the payment type. In some cases we can help you make an online payment.

HOW MUCH SHOULD I PAY?

You might not know how much you are going to owe, and that's ok. You can avoid the failure-to-pay penalty by paying 100% of the tax shown on your prior year's tax return. We can help you figure out that number. If the amount you pay is too little, you will still have tax to pay and interest but will not owe the penalty. If you pay too much, you will get a refund. In some cases, you will know the approximate amount of tax you are going to owe based on the information available. If that applies to you, we recommend that you pay the amount you expect to owe.

HOW DO I FILE AN EXTENSION?

If you need extra time to prepare and file your taxes you can obtain an extension in one of the following ways: 1. Engage our services for an extension. You will fill out and sign paperwork giving us the ability to file the extension on your behalf. We charge a flat fee for this service (subject to change each year). 2. Download the appropriate form from IRS.gov, fill it out and mail it (with your payment) according to the instructions that come with the form. Most taxpayers will use Form 4868, however, businesses and other entities use different forms. Oregon accepts the federal form, however, if you need to pay Oregon, use form OR-40-V which can be downloaded from Oregon.gov/dor.