



## Income Tax Consulting Engagement Letter

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Client Name)

### Re: Engagement Terms for Income Tax Consulting

John Lebbs CPA, PLLC (collectively, “firm,” “we,” “us,” or “our”) is pleased to provide you, the “Client” referenced above (“you,” “client,” or “your”), with the professional services described below. This letter and any other attachments incorporated herein (collectively, “Agreement”) confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. The engagement between you and our firm will be governed by the terms of this Agreement.

**Engagement Objective and Scope.** Our advice is dependent upon the timeliness, accuracy, and completeness of the information and representations that we receive from you as well as your stated intended use of the advice. Therefore, providing us with inaccurate or incomplete information or representations may result in inaccurate findings or inappropriate recommendations and critical recommendations may not be identified. If information changes during the course of the engagement, you must provide our office with the updated information and representations on a timely basis as the change in information may affect our advice. We will not audit or otherwise verify the data you submit to us, although we may ask you to clarify certain information.

Our engagement does not include any procedures designed to detect errors, fraud, or theft. Therefore, our engagement cannot be relied upon to disclose such matters. This engagement is limited to the professional services outlined above.

Our advice is based upon facts, assumptions, and representations as stated and relevant tax reference materials that are subject to change. Tax reference materials include but are not limited to the Internal Revenue Code (“IRC”), regulations, Revenue Rulings, Revenue Procedures, Private Letter Rulings, and court cases. We will not update our advice for subsequent changes to tax reference materials.

If the information or representations that you provided to us change or you wish the firm to research tax law changes after the conclusion of the engagement, we may be available to update our advice as a separate engagement. If you ask us to update our work, we will confirm this representation in a separate engagement letter.

**Timing of the Engagement.** Our engagement shall commence upon receipt of this executed Agreement. Our services will conclude after one of the following events has occurred:

- transmission of the deliverable(s) as identified above,
- notice to you that no deliverable(s) will be provided,
- written notification by either party that the engagement is terminated, or
- one year from the execution date of this Agreement.

## CPA Firm Responsibilities

We will perform our services in accordance with the American Institute of Certified Public Accountants (“AICPA”) Code of Professional Conduct, Statements on Standards for Tax Services, and Statement on Standards for Consulting Services.

**Government Inquiries.** This engagement does not include responding to inquiries by any governmental agency or tax authority. If your tax return is selected for examination or audit, you may request our assistance in responding to such an inquiry. If you ask us to represent you, we will confirm this representation in a separate engagement letter.

**Tax Advice.** Our advice is based upon tax reference materials, facts, assumptions, and representations that are subject to change. We will not update our advice after the conclusion of the engagement for subsequent legislative or administrative changes or future judicial interpretations. To the extent we provide written advice concerning federal tax matters, we will follow the guidance contained in U.S. Treasury Department Circular 230, §10.37, *Requirements for Written Advice*.

**Arguable Positions.** We will use our judgment to resolve questions in your favor where a tax law is unclear, provided there is sufficient support for doing so. If there are conflicting interpretations of the law, we will explain the possible positions that may be taken on your return. We will follow the position you request, provided it is consistent with our understanding of the tax reference materials. If the IRS, state or local tax authorities later contest the position taken, there may be an assessment of additional tax, penalties, interest, and professional fees. We assume no liability, and you hereby release us from any liability for such additional tax, penalties, interest, and professional fees.

## Client Responsibilities

You agree to provide us with complete copies of previously filed tax returns, supporting schedules, and any other records or information that we may request during the course of the engagement. As a condition of our performing the services described above, you agree to evaluate the adequacy and results of the services performed and accept responsibility for the results of the services, including decisions regarding the implementation of any advice provided by us.

**Ultimate responsibility.** You have final responsibility for your tax consulting services. We will provide you with a copy of any deliverables for review prior to finalization. You agree to review and examine them carefully for accuracy and completeness. You are solely responsible for implementation of any strategies discussed in the deliverables.

**Penalties and Interest Charges.** Federal, state, and local tax authorities impose various penalties and interest charges for non-compliance with tax laws and regulations, including, failure to file or late filing of returns, and underpayment of taxes. You, as the taxpayer, remain responsible for the payment of all tax, penalties, and interest charges imposed by tax authorities.

We rely on the accuracy and completeness of the information you provide to us in connection with the preparation of your tax returns. Failure to disclose or inadequate disclosure of income or tax positions may result in the imposition of penalties and interest charges.

## Fees & Legal Matters

**Fees.** Our professional fee for the services outlined above is estimated to be \$100 per half hour. This fee is based upon the complexity of the work to be performed, and our professional time, as well as out-of-pocket expenses. In addition, this fee depends upon the timely delivery, availability, quality, and completeness of the information you provide to us. Fees and expenses are due and payable upon presentation of our invoice. If we have not received payment in accordance with the stated terms, we reserve the right to terminate this engagement without notice. You agree to pay all fees and expenses incurred whether or not we complete our engagement.

**Timing of the Engagement.** We expect to begin our services upon receipt of this signed engagement letter. Our services will conclude upon the earlier of the written notification by either party that the engagement is terminated or the end of the calendar year 2020.

**Paragraph Titles.** The paragraph titles used in this agreement are for convenience of reference only and will not be considered in the interpretation or construction of any provisions.

**Jurisdiction.** Notwithstanding anything contained herein, both accountant and client agree that regardless of where the client is domiciled and regardless of where this Agreement is physically signed, this Agreement shall have been deemed to have been entered in to at the offices of John Lebbs CPA, PLLC located in Pima County, Arizona, USA. Pima County, Arizona, USA shall be the exclusive jurisdiction for resolving disputes related to this engagement. This engagement shall be interpreted and governed in accordance with the Laws of Arizona.

**Dispute Resolution.** If a dispute arises out of or relates to this contract or engagement letter, or the breach thereof and the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under *Accounting and Related Services Arbitration Rules and Mediation Procedures* before resorting to arbitration, litigation, or some other dispute resolution procedure. The costs of any mediation proceeding shall be shared equally by all parties.

We appreciate the opportunity to be of service to you. Please date and execute the enclosed copy of this Agreement and return it to us to acknowledge your acceptance. We will not initiate services until we receive the executed Agreement.

Very truly yours,

*John Lebbs*

John Lebbs, CPA

**ACCEPTED:**

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**Client Signature**

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**Date**