Jon Bell, CPA LLC
Certified Public Accountant & Business Advisor

TAX SEASON KICKOFF !

PLEASE READ THIS CAREFULLY

We hope you had a wonderful Holiday season and New Year!

This correspondence rings in the start of the tax season! We're rolling things out a little differently this year. We understand that you might not have received all of your tax documents just yet, but we still want to motivate you to get the ball rolling. Below, we have listed the seven items included in this packet. If you send completed items 1- 4 back to us NO LATER THAN THURSDAY, FEBRUARY 1, 2018, **we will enter you in a drawing to win a $100 gift card**. There is a reason why we are encouraging you to do this: By familiarizing you with our processes we will be better prepared to make this tax season our best season ever.

There are 7 items included in this mailing. Each item is numbered.

To get back to us now

1. Engagement Letter
2. Extension Checklist
3. Driver's License Information Sheet
4. $100 Drawing Entry

To get back to us later

5. Tax Checklist (10 pages)

For your reading pleasure

6. Payment Policy
7. When Will My Tax Return Be Finished?

Here's what YOU need to do now...

- Fill in and/or sign items 1- 4 above.
- Get them back to our office *on or before* Friday, February 1, 2018.

Required for your return. Send as soon as forms are available/filled out...

- Completed Tax Checklist
- Tax documents (W-2, 1099, mortgage interest statements, etc.)

1303 Rio Grande Blvd NW, Suite 6
Albuquerque, NM 87104
Phone: (505) 385-3535 | **Fax:** (505) 715-5515 | **Email:** *admin@jonbellcpa.com*

Important to Remember

In order for you to be entered in the drawing for a $100 gift card, all four items must be completed and returned to us by the deadline. Now remember, this is EASY! We are NOT asking you to get us all of your tax information (like your W-2's, 1099's, broker statements, etc.) or tax checklist yet, just the four items above.

Please note that we prepare your tax returns in the order we receive them (as noted in item #7). So, if you already have 90% of your tax information gathered together, go ahead and send it to us! There is no need to wait for those final documents to arrive. This will get your return in the queue, and we can start working on it much sooner.

Finally, don't forget to send in your completed tax checklist (item #5). We cannot complete your return without this information and it helps us to ensure you pay no more than the minimum tax allowable by law.

Tax Season Alerts

IRS Season Opening & Deadline

The IRS has announced that tax filing season opens Monday, January 29, 2018. The IRS expects more than 153 million tax returns to be filed this year and taxpayers have until Tuesday, April 17, 2018 to file their 2017 tax returns and pay any taxes due. This year's deadline has been extended due to Emancipation Day, a holiday in Washington, D.C.

Identity Theft & Refund Fraud

The IRS has issued several consumer alerts warning of the fraudulent use of the IRS name or logo by scammers trying to gain access to consumers' financial information to steal their identity and assets. Scammers will use the mail, telephone, fax, or email to get you to provide your personal information so that they may steal your identity or launch convincing demands for immediate payment. The IRS will never use unsolicited email, text or any social media to discuss your personal tax issue. NEVER click on any links in emails claiming to be from the IRS, and NEVER send money to the IRS if demanded by phone—especially if threatened with immediate incarceration.

NM Taxation & Revenue Department continues its efforts to combat identity theft and refund fraud. Taxpayers filing a New Mexico tax return are REQUIRED to include their driver's license or state issued ID information on their tax return. Most other states are either requesting or requiring this information as well. **An enhanced review process by the state could increase the time it takes to process tax refunds (up to 12 weeks) and NM is often sending letters requesting additional information from taxpayers to verify their refund claims.**

New Tax Legislation

We highly recommend that when send your 2017 tax information to us, you also set up an appointment for a post-tax season "Tax Tune-Up" to examine your tax and estate planning strategies. The new tax bill will result in far fewer taxpayers itemizing deductions. Also, the taxation of corporations and pass-through entities have seen radical changes so it is imperative you speak with us to ensure you are still in the best entity for your business going forward.

There are literally hundreds of changes, extensions and deletions to the tax law that we will need to consider this year while preparing your return. Because of these changes we respectfully request that you try to send your tax information to us much earlier than normal. Please rest assured that we will utilize our best resources to provide you with timely, complete, and accurate service while keeping your tax burden to the lowest legal amount.

Affordable Care Act
Contrary to popular belief, penalties still apply to individuals who did not have qualified health insurance for all family members in 2017. If you received a Form 1095 from any issue or agency we MUST have all copies to prepare your tax return.

New Partner CPA Firm
In order to serve you more effectively and better manage our workload during tax season, we have partnered with a US based CPA firm with skilled and credentialed Tax Accountants in India to help with tax preparation. Our CPA firm partner has the highest level of security protocols in place, which exceed the security standards required at the majority of CPA firms here in the US. This partner has worked with us for several years already by taking care of a significant number of our business clients' books. This partnership will significantly improve our turnaround time on individual tax returns, allow us to offer more value-added services, and ultimately allow us to keep with our mission of being proactive tax planners. We will continue to carefully review all returns in our office at the high level that our clients have come to expect of us, providing you with the same accuracy and dedication to keeping your tax liability at the minimum allowable by law.
As required by law, we have provided you with a Section 7216 disclosure describing the nature of your consent in our engagement letter.

In Closing
Rest assured that you are in good hands. We thank you for your patience and cooperation as we embark on the 2017 tax season with the goal of providing you with excellent service.

We wish you a wonderful 2018! Let's help our friends, family, and neighbors any way we can, and really be generous with others this year. It'll make for happy hearts…and that's a good thing.

Jon Bell and staff

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#1

Engagement Letter for Individual Tax Preparation

We are pleased to provide you with professional tax preparation services. This letter is to inform you, the taxpayer, of the services we will provide you, and the responsibilities you have for preparation of your tax return.

Tax Return Preparation

- We will prepare your 2017 federal and state tax returns in accordance with professional standards issued by the AICPA. Services for preparation of your return do not include auditing or verification of information provided by you.
- This engagement does not include any audit or examination of your books or records. In the event your return is audited, you will be responsible for verifying the items reported.
- The tax return preparation fee does not include bookkeeping. Additional charges will apply for such services.
- Fees charged for tax return preparation do not include audit representation or preparing materials to respond to correspondence from taxing authorities.
- Preparation fees do not cover assistance and consultation during the year.
- The engagement to prepare your 2017 tax returns terminates upon delivery of your completed returns and original documents to you. Jon Bell, CPA LLC is not the legal custodian of your tax returns or supporting documents. Please store your supporting documents and copies of your tax returns in a secure place for at least seven years.

Taxpayer Responsibilities

- We will provide you with an organizer to help you compile and document the information we will need to prepare your tax returns. You must complete the income tax organizer with accurate and complete information.
- You agree to provide us all income and deductible expense information. If you receive additional information after we begin working on your return, you will contact us immediately to ensure your completed tax returns contain all relevant information.
- You affirm that all expenses or other deduction amounts are accurate and that you have all required supporting written records. In some cases, we will ask to review your documentation.
- You must be able to provide written records of all items included on your return if audited by either the IRS or state tax authority. We can provide guidance concerning what evidence is acceptable.
- You have final responsibility for your income tax returns. You agree to review and examine the tax returns carefully for accuracy and completion before signing them.
- **Professional tax preparation fees must be paid before your tax return is delivered to you or filed for you. If you terminate this engagement before completion, you agree to pay for work completed and any unreimbursed expenses.**

Signatures

By signing below, you acknowledge that you have read, understand, and accept your obligations and responsibilities outlined in this engagement letter, **including the Terms & Conditions Addendum** and that you understand our responsibilities in preparing your tax returns as explained above. For a joint return, both taxpayers must sign.

Additionally, you have read the 7216 disclosure (top of the next page, bolded) and authorize Jon Bell, CPA LLC to disclose to Analytix Business Solutions, LLC (US based firm with offices in India) your tax return information including your SSN(s) to allow Analytix Business Solutions, LLC to assist Jon Bell, CPA LLC in providing you with tax return preparation services.

Taxpayer ______________________ Spouse ________________________ Date ______________

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Terms & Conditions Addendum

Section 7216: Consent to Disclosure of Tax Return Information

Federal law requires this consent form be provided to you. Unless authorized by law, we cannot disclose your tax return information to third parties for purposes other than those related to the preparation and filing of your tax return without your consent. If you consent to the disclosure of your tax return information, Federal law may not protect your tax return information from further use or distribution. You are not required to complete this form. Because our ability to disclose your tax return information to another tax return preparer affects the tax return preparation service(s) that we provide to you and its (their) cost, we may decline to provide you with tax preparation services or change the terms (including the cost) of the tax preparation services that we provide to you if you do not sign this form. If you agree to the disclosure of your tax return information, your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year from the date of signature. This consent to disclose may result in your tax return information being disclosed to a tax return preparer located outside the United States, including your personally identifiable information such as your Social Security Number ("SSN"). Both the tax return preparer in the United States that will disclose your SSN and the tax return preparer located outside the United States that will receive your SSN maintain an adequate data protection safeguard (as required by the regulations under 26 U.S.C. Section 7216) to protect privacy and prevent unauthorized access of tax return information. If you consent to the disclosure of your tax return information, Federal agencies may not be able to enforce U.S. laws that protect the privacy of your tax return information against a tax return preparer located outside of the U.S. to which the information is disclosed. If you (and your spouse) agree to allow Jon Bell, CPA LLC (U.S. based firm) to disclose your tax return information, including your SSN, to the foreign entity or entities listed below for purposes of providing assistance in the preparation of your 2017 - ________ individual tax return, please sign and date your consent to the disclosure of your tax return information.

If you believe your tax return information has been disclosed or used improperly in a manner unauthorized by law or without your permission, you may contact the Treasury Inspector General for Tax Administration (TIGTA) by telephone at 1-800-366-4484, or by e-mail at complaints@tigta.treas.gov.

Client Responsibilities

<u>State and Local Filing Obligations</u>

You are responsible for determining your tax filing obligations with any state or local tax authorities, including, but not limited to income, franchise, sales, use, property or unclaimed property taxes. You agree that we have no responsibility to research these obligations or to inform you of them. If upon review of the information you have provided to us, along with information that comes to our attention, we believe you may have additional filing obligations, we will notify you of this responsibility in writing and ask you to contact us. If you ask us to prepare these returns, we will confirm this representation in a separate engagement letter.

U.S. filing obligations related to foreign financial assets

As part of your filing obligations, you are required to report the maximum value of specified foreign financial assets, which include financial accounts with foreign institutions and certain other foreign non-account investment assets that exceed certain thresholds. You are responsible for informing us of all foreign assets, so we may properly advise you regarding your filing obligations.

These assets include any ownership interests you directly or indirectly hold in businesses located in a foreign country, and any assets or financial accounts located in a foreign country over which you have signatory authority. Based upon the information you provide, this information will be used to calculate any applicable foreign tax credits. We will also use this data to inform you of any additional filing requirements, which may include *Form 8938*, *Statement of Specified Foreign Assets*, and FinCEN *Form 114*, *Report of Foreign Bank and Financial Accounts* ("FBAR"). Failure to file required forms can result in the imposition of both civil and criminal penalties, which may be significant. The FBAR is not a tax return and its preparation is not within the scope of this engagement. If you ask us to prepare the FBAR, we will confirm this representation in a separate engagement letter.

Foreign filing obligations

You are responsible for complying with the tax filing requirements of any other country. You acknowledge and agree that we have no responsibility to raise these issues with you and that foreign filing obligations are not within the scope of this engagement.

Ultimate responsibility

You have final responsibility for your income tax returns. We will provide you with a copy of your electronic income tax returns and accompanying schedules and statements for review prior to filing with the IRS and state and local tax authorities (as applicable). You agree to review and examine them carefully for accuracy and completeness.

You will be required to verify and sign a completed Form 8879, *IRS e-file Signature Authorization*, and any similar state and local equivalent authorization form before your returns can be filed electronically.

In the event that you do not wish to have your income tax returns filed electronically, please contact our firm. Additional procedures will apply. You will be responsible for reviewing the paper returns for accuracy, signing them, and filing them timely with the tax authorities.

Privacy Policy

The nature of our work requires us to collect certain nonpublic personal information about you from various sources. We collect financial and personal information from applications, worksheets, reporting statements, and other forms, as well as interviews and conversations with our clients and affiliates. We may also review banking and credit card information about our clients in the performance of receipt of payment. Under our policy, all information we obtain about you will be provided by you or obtained with your permission.

Our firm has procedures and policies in place to protect your confidential information. We restrict access to your confidential information 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. We maintain physical, electronic, and procedural safeguards in compliance with federal regulations that protect your personal information from unauthorized access. Please contact us with any questions regarding our privacy policy.

Electronic Data Communication and Storage

In the interest of facilitating our services to your company, we may send data over the Internet, store electronic data via computer software applications hosted remotely on the Internet or clouds. Your confidential electronic data may be transmitted or stored using these methods. We may use third party service providers to store or transmit this data, such as providers of tax return preparation software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and data access secure in accordance with our obligations under applicable laws, regulations, and professional standards. We require our third party vendors to do the same.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors. You consent to our use of these electronic devices and applications and submission of confidential client information to third-party service providers during this engagement.

Client Portals

To enhance our services to you, we will use our Client Portal, a collaborative, virtual workspace in a protected, online environment. Our Client Portal allows for real-time collaboration across geographic boundaries and time zones and allows Jon Bell, CPA LLC and you to share data, engagement information, knowledge, and deliverables in a protected environment.

You agree that Jon Bell, CPA LLC has no responsibility for the activities of the Client Portal and agree to indemnify and hold Jon Bell, CPA LLC harmless with respect to any and all claims arising from or related to the operation of our Portal. While the Portal backs up your files to a third-party server, we recommend that you also maintain your own backup files of these records.

Third Party Service Providers or Subcontractors

In the interest of enhancing our availability to meet your professional service needs while maintaining service quality and timeliness, we may use a third party service provider to assist us in the provision of services to you. This provider has established procedures and controls designed to protect client confidentiality and maintain data security. As the paid provider of professional services, our firm remains responsible for exercising reasonable care in providing such services, and our work product will be subjected to our firm's customary quality control procedures.

Records Management

Record Retention and Ownership

We will return all your original records and documents provided to us at the conclusion of the engagement. Your records are the primary records for your operations and comprise the backup and support for your work product. Our copies of your records and documents are not a substitute for your own records and do not mitigate your record retention obligations under any applicable laws or regulations.

Workpapers and other documents created by us are our property and will remain in our control. Copies are not to be distributed without our prior written consent. Our workpapers will be maintained by us in accordance with our firm's record retention policy and any applicable legal and regulatory requirements.

Our firm destroys workpaper files after a period of 7 years. Catastrophic events or physical deterioration may result in damage to or destruction of our firm's records, causing the records to be unavailable before the expiration of the retention period as stated in our record retention policy.

Working Paper Access Requests by Regulators and Others

State, federal and foreign regulators may request access to or copies of certain workpapers pursuant to applicable legal or regulatory requirements. Requests may also come in the form of peer review, ethics investigations or in the sale of the accounting practice. If requested, access to such workpapers will be provided under the supervision of firm personnel. Regulators may request copies of selected workpapers to distribute the copies or information contained therein to others, including other governmental agencies.

If we receive a request for copies of selected workpapers, provided that we are not prohibited from doing so by law or regulation, we agree to inform you of such request as soon as practicable. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate at your own expense to limit the disclosure of information. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request.

In the event that you request records you have submitted to us which are required to complete our engagement, we will be required to release such records only if all fees and costs incurred for this engagement have been paid in full.

Summons or Subpoenas

All information you provide to us in connection with this engagement will be maintained by us on a strictly confidential basis. If we receive a summons or subpoena which our legal counsel determines requires us to produce documents from this engagement or testify about this engagement and we are not prohibited from doing so by law or regulation, we agree to inform you of such summons or subpoena as soon as practical.

You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate at your own expense to attempt to limit discovery. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request. If we are not a party to the proceeding in which the information is sought, you agree to reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

Management Responsibilities

While Jon Bell, CPA LLC can provide assistance, you are responsible for management decisions and functions, and for designating an individual with suitable skill, knowledge or experience to oversee any services Jon Bell, CPA LLC provides. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services. You are ultimately responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

Alternative Dispute Resolution

If a dispute arises out of or relates to this engagement letter including the scope of services engagement contained herein, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try to settle the dispute by mediation administered by the American Arbitration Association ("AAA") under the Professional Accounting and Related Services Dispute Resolution Rules before resorting to arbitration, litigation, or some other dispute resolution procedure. The mediator will be selected by agreement of the parties. If the parties cannot agree on a mediator, a mediator shall be designated by the AAA. Any mediator so designated must be acceptable to all parties. The mediation will be conducted in New Mexico. The mediation will be treated as a settlement discussion and, therefore, will be confidential. The mediator may not testify for either party in any later proceeding related to the dispute. No recording or transcript shall be made of the mediation proceedings. The costs of any mediation proceedings shall be shared equally by all parties. Any costs for legal representation shall be borne by the hiring party.

Statute of Limitations

You agree that any claim arising out of this engagement letter shall be commenced within one (1) year of the delivery of the work product to you, regardless of any longer period of time for commencing such claim as may be set by law. A claim is understood to be a demand for money or services, the service of a suit, or the institution of arbitration proceedings against Jon Bell, CPA LLC.

Termination and Withdrawal

We reserve the right to withdraw from the engagement without completing services for any reason, including, but not limited to, your failure to comply with the terms of this engagement letter or as we determine professional standards require.

Assignment

All parties acknowledge and agree that the terms and conditions of this engagement letter shall be binding upon and inure to the parties' successors and assigns, subject to applicable laws and regulations.

Severability

If any portion of this agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this engagement letter.

Entire Agreement

This engagement letter, including the Terms and Conditions Addendum and any other attachments, encompasses the entire agreement of the parties and supersedes all previous understandings and agreements between the parties, whether oral or written. Any modification to the terms of this engagement letter must be made in writing and signed by both parties.

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#2

Extension Checklist

Name(s):____Date: ____________________

Please check one of the following to indicate your preference on filing an extension.

☐ "No problem… go ahead and plan on extending me."

☐ "If you need to… okay, but give me plenty of notice, especially if I'm going to owe. I hate surprises. **<u>I agree to get my information in no later than Thursday, March 15, 2018…YIKES!</u>**"

☐ "I'm on the fence… I'm willing to consider it but I'd really prefer NOT to extend my tax return."

☐ "Due to special circumstances… I really can't be extended this year." Please, tell us why: ______________________________________

____

<u>Also, please understand that, to accommodate you, we will need to have all of your information in no later than Wednesday, February 28, 2018</u>.

☐ "I just don't *<u>want</u>* to be extended…"

<u>To accommodate you, we will need to have ALL of your information in no later than Wednesday, February 28, 2018.</u>

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#3

Driver's License Information

Please provide your valid driver's license or state identification card information below.

Returning Clients: You will only need to complete this form if your license expired within the last year.

____
Taxpayer's First and Last Name

____
Driver's License or State ID Number

____
State of Issue

____
Issue Date

____
Expiration Date

If applicable:

____
Spouse's First and Last Name

____
Driver's License or State ID Number

____
State of Issue

____
Issue Date

____
Expiration Date

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#4

$100 GIFT CARD ENTRY

MUST RESPOND BY THURSDAY, FEBRUARY 1, 2018

Here's how you qualify for the drawing:

1. Fill in and/or sign items #1-4 (see cover letter).
2. Return items #1-4 to our office…mail, email, portal, or in person.
3. **You must complete this NO LATER THAN February 1, 2018.**
4. When you complete the above listed items, we'll ENTER YOU IN THE DRAWING FOR A $100 GIFT CARD. There will be THREE winners drawn.

"I returned items #1-4 on or before February 1, 2018 and I want to be entered in the drawing for a $100 gift card!"

____
Client name

______________________________ ______________
Signature Date

Official certification that above client has complied fully with terms of this letter and is, therefore, qualified to be entered in the drawing for a $100 gift card. (Staff initials:____________ Date:____________

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#5

TAX CHECKLIST FOR PERSONAL TAX RETURNS

Please read this document carefully.
It will save you taxes and time.

The 2017 Tax Season Has Arrived!

We are excited to see our returning clients, and look forward to meeting new clients as the season progresses. We have made some changes to our firm's procedures this year, so please take a moment to read through these documents carefully.

Importance of this Tax Checklist and Engagement Letter

Please complete this Tax Checklist and use it as a guideline to help you organize your 2017 documents. By filling out this document completely, you will provide us with the critical information required to get the best results on your 2017 tax return accurately and efficiently. ***A signed Engagement Letter and completed Tax Checklist (pages 3-9) will be required before any work can begin on your return.***

If we prepared your return last year and you would like a customized client organizer with last year's data filled-in, please let us know so that we may send it to you promptly.

Meetings

We do not require our clients to come in to the office for a meeting in order to complete their tax return. Many of our clients enjoy the fact that they don't have to take time out of their busy schedules to meet with us. If you feel that an appointment is necessary, please call our office to schedule. Given the busy tax season, we respectfully request that appointments go no longer than thirty minutes.

Sending Your Documents

Because identity thieves and hackers attempt to access computer systems via email attachments, we have instituted a "no-click" email policy. **We will not open unsolicited email attachments.** You may fax, mail, drop off your documents, or upload them online using our client portal. This secure portal allows us to safely and efficiently send and receive confidential documents, including QuickBooks files and tax returns. We encourage you to take advantage of the time-savings and security that our client portal offers. **When sending us files, please send in .pdf, .xls, .xlsx, .doc, docx, or Quickbooks formats**. Unfortunately, we are unable to convert files from Mac formatting. If additional information is needed, we will either email or call you.

Flash Drives, and In-office Internet

The IRS has determined that tax preparation firms are prime targets for data theft. As a result, we have established the following policies:

- **We will not accept flash drives** or any method of transmitting data that involves plugging a foreign device directly into our computers. When sending us digital documents, please use our portal.
- **We will not grant access to our office internet system.**

Jon Bell, CPA LLC
Certified Public Accountant & Business Advisor

Professional Fees

Fees for tax preparation are based on the complexity of your return and the number of states involved; **Additional fees will apply to disorganized or incomplete files.** Please reach out if you would like more guidance on how to organize your documents.

Audit Protection

Once again, we are offering our Audit Protection PLUS Service Plan (page 10). This is a great value at $79 or 15% of your tax prep fee, whichever is higher. This year we are offering a new benefit: Free document shredding, up to 25 lbs. by 12/31/2018 making this package of services more valuable than ever!

Deadlines & Extensions

The filing deadline for your income tax return is **Tuesday, April 17, 2018**. To meet this filing deadline, all of your tax information, including this organizer, must be received by us no later than **Wednesday, February 28, 2018**. Any tax information received after that date will likely require that an extension of time be filed for your return. If you are a new client, we recommend that we file an extension anyway to ensure that we have adequate time to do our best work. Please let us know if you have any questions or concerns regarding the ramifications of filing an extension.

Request for Patience, Understanding, and Responsiveness

We sincerely thank you for patience as we embark on our busiest time of the year. At our peak, we will receive several hundred documents and dozens of actionable inquiries/requests daily. As our email inboxes will be flooded, **we advise that you call instead of email if you have any questions or concerns about the status of your return**.

Tax preparation requires teamwork and you are the most important member! Questions will arise as we work on your return—regardless of whether you are a new client or have been with us for years. Please keep an eye out for emails and phone calls from us so that we may complete your return efficiently. We apologize in advance if our questions sound repetitive, but they often make a large difference on your return and we want to be certain of your results.

A Final Word from Jon

As I embark on my ninth year of being in practice, I look forward to providing you with first-class service, and enjoy serving you as a client, practicing what I truly love to do. For those who have been with me for five or more years, I can't tell you how much I appreciate your business.

Your cooperation with our processes will help us to devote the time and consideration to your returns that you expect and deserve.

If you know anyone else who would like an accounting firm to handle their matters during tax season and/or throughout the year, please feel free to mention us.

I appreciate your patronage. Should you have any questions, please feel free to call me. I look forward to seeing you soon.

Jon Bell, CPA MACCT CTC

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Returning Clients: Has any of your personal information on this page changed? ☐ Yes ☐ No

If Yes, please update the appropriate areas below. If No, continue to the next page.

New Clients: Please provide all information requested.

Filing Status (mark one): ☐ Single ☐ Married Filing Jointly ☐ Head of Household ☐ Married Filing Separate

Dates in 2017: Married: __________ Divorced: ___________ Death (☐ Taxpayer ☐ Spouse):_____________

☐ Check box if you moved in 2017. Date: _________ City and State where you moved from:___________________

Taxpayer's Name ___________________________ SS# _______________________ Occupation ___________________

Spouse's Name ______________________________SS# _________________________Occupation ___________________

____

Home Address

_____________________________________ ______________________ _______ ______________

City County State Zip Code

____

Home Telephone Number

Taxpayer Information:

Date of Birth __________________ Blind: ☐ Yes ☐ No Disabled: ☐ Yes ☐ No

Driver's License #_______________ Issue Date & State_______________ Expiration Date_________________

Cell (____)_____________________ Office (____)___________________ Email _________________________

Spouse Information:

Date of Birth __________________ Blind: ☐ Yes ☐ No Disabled: ☐ Yes ☐ No

Driver's License #_______________ Issue Date & State_______________ Expiration Date:________________

Cell (____)_____________________ Office (____)___________________ Email__________________________

Dependent Children Who Lived with You: (Special rules apply to children of divorced parents)

First and Last Name	SS#	Relationship	Birth Date	# of Months Resided in your Home	If applicable: # of Months Full Time Student in College
1.)					
2.)					
3.)					
4.)					

Other Dependents: (Relatives and/or members of household)

First and Last Name	SS#	Relationship to Taxpayer	Birth Date	# of Months Resided in Your Home	% Support Furnished By You
1.)					
2.)					

Direct Deposit & Direct Debit

If you are due a **refund**, would like to direct deposit your refund to your bank account?

Federal: ☐Yes ☐No **State(s):** ☐Yes ☐No

If you **owe** to the IRS and/or state(s), would you like to schedule a direct debit of the balance due from your bank account?

Federal: ☐Yes ☐No **State(s):** ☐Yes ☐No

If yes to any of the above, please provide a voided check and fill in the following information:

Name of Bank:______________________________ Routing Number:______________________________

Type of Account (Checking/Savings):______________ Account Number:______________________________

Estimated Payments

If you made estimated payments toward your 2017 taxes, please fill in the payment record below and **provide proof** of payment (such as a canceled check).

Federal

Quarter	Due Date	Amount Paid	Date Paid	Check Number
1	4/18/17			
2	6/15/17			
3	9/15/17			
4	1/16/18			
	Total Paid:			

State (Please indicate which state):______________________________

Quarter	Due Date	Amount Paid	Date Paid	Check Number
1	4/18/17			
2	6/15/17			
3	9/15/17			
4				
	Total Paid:			

Health Insurance

Please list each person included on your return and indicate whether or not they had qualifying health coverage for all of 2016. If not covered for all 12 months, please indicate the number of months of health coverage. Provide all copies of form 1095 received.

Name of Family Member	Covered all 12 months? (Y/N)	Number of Months of Coverage
Taxpayer:		
Spouse:		
Dependent:		
Dependent:		
Dependent:		
Dependent:		
Dependent:		

TAX CHECKLIST

USE THIS PAGE TO HELP GATHER YOUR TAX RECORDS TO SEND TO US

Income Items

	Form #	Reportable On Your Return
❑	W-2	Salaries paid to you by your employer.
❑	1099-B	Sales of stocks, mutual funds, and bonds.
❑	1099-S	Proceeds from real estate transactions.
❑	1099-DIV	Dividends earned.
❑	1099-G	Unemployment compensation and/or State or local tax refund.
❑	1099-INT	Interest income earned, including tax-exempt interest.
❑	1099-MISC	Self-employed earnings or rental income**(*)**. Copies of CRS-1 reports filed, if applicable.
❑	1099-R	Distributions from IRAs, pensions, annuities, insurance contracts, etc.
❑	K-1	Earnings from S-Corps, Partnerships, Estates & Trusts.
❑		Other Income (i.e., gambling winnings, barter income, jury duty, Bitcoin, Airbnb, or other)
❑	1099-C	Cancellation of debt (short sales, bankruptcy, or credit cards)
❑	1099-Q	Scholarship awards or Education Savings Accounts (529) withdrawals
❑		Alimony - List amount received $______________________________

(*) If you have earnings from self-employment or rental income, please provide your income and a list of expenses summarized by category for the year. An Excel spreadsheet is ideal, see **Exhibits A and B** which follow (pages 8 & 9).

Expense/Deduction Items

	Form #	Reportable On Your Return
❑	1098	Mortgage interest paid, points paid.
❑		Real estate taxes paid and dates they were paid (often located on Form 1098).
❑		Cash & noncash contributions made to charitable organizations. If more than $250 to a particular charity, you must retain a statement from the charity. For non-monetary donations, provide name of organization donated to, description of items donated, and fair market values at time of donation.
❑		Unreimbursed medical expenses. Do not include medical expenses or insurance expenses paid via a cafeteria plan through payroll deductions as an employee.
❑	1098-T	Tuition, enrollment fees, required course material, and other qualified educational Expenses from eligible academic institutions (most colleges, universities, or vocational schools).
❑		Did you pay alimony during the year? If yes, list amount $_______________________ Recipient's name and SS#____
❑		Miscellaneous itemized deductions (i.e., Tax prep, job expenses, legal fees, union dues, investment expenses, gambling losses to the extent of gambling winnings).

Other Items

- ❑ Copies of the settlement statement if you bought or sold real estate.
- ❑ Copies of your 2016 federal and state(s) tax returns if you are a new client.
- ❑ Copies of any tax notices received from the IRS or other taxing authorities.
- ❑ Copies of Form 1095-A, 1095-B, or 1095-C indicating health insurance coverage.

KEY TAX SAVING / COMPLIANCE QUESTIONS

Please answer all questions on this form. If the information does not apply to your situation, check NO

If you answer **YES** to the following questions, please provide the information requested.

Please do not provide us with receipts; only a simple schedule for any information requested.

---

1. **For 2017, did you, your spouse, and your dependents have health care coverage provided by either an employer, the government (Medicare, Medicaid, or VA), or directly from an insurance company for every month in 2017?** ❑ Yes ❑ No
   - Please attach Form 1095-B (Health Coverage) or Form 1095-C (Employer Provided Health Insurance Offer and Coverage) and complete the health insurance section on page 4.

2. **Did you enroll in Marketplace Coverage through healthcare.gov under the Affordable Care Act?** ❑ Yes ❑ No
   - If YES, please provide any Form(s) 1095-A you received.

3. **Did you contribute to a health savings account (HSA) in 2017 (Not to be confused with a flex spending account)?** ❑ Yes ❑ No
   - Amount of contribution: Self $_______ Spouse: $_______ Type of coverage: ❑ Self only ❑ Family

4. **Did you receive any distributions from your health savings account (HSA) in 2017?** ❑ Yes ❑ No
   - Amount of distributions: $_______ Amount of unreimbursed qualified medical expenses: $________

5. **Did you incur Long-term care insurance premiums?** ❑ Yes ❑ No
   - If YES, please let us know the amounts paid last year and for whom they were paid.

6. **Do you want to contribute to a Traditional IRA, Roth IRA, SIMPLE IRA, or SEP, if eligible?** ❑ Yes ❑ No
   - If YES, simply let us know and we will make the computation. If you already contributed to the IRA, let us know the amount. Note: Traditional IRA & Roth IRA contributions must be made by 4/17/18; SEP & SIMPLE IRA contributions must be made by 10/15/18.

7. **Do you need assistance determining when to start receiving social security benefits?** ❑ Yes ❑ No
   - If YES, please let us know so that we may provide you with further information to help you make an informed decision.

8. **Were you granted or did you exercise any employee stock options during 2017?** ❑ Yes ❑ No
   - If YES, please provide the grant date, exercise date, and amounts you paid for the options.

9. **Did you or your spouse have a financial interest in or signature authority over one or more foreign financial accounts at any time during 2017?** ❑ Yes ❑ No
   - If YES, please provide us with the name and address of the bank, the high balance in the account during 2017, and the interest earned during 2017.

10. **Did you purchase, sell, refinance, or take out a home equity loan on your principal home, second home, and/or rental property?** ❑ Yes ❑ No
    - If YES, please provide a copy of the HUD-1 settlement statement.

11. **Did you install solar panels, solar electric power, or solar water heating in your home? If so, a 30% energy tax credit is available.** ❑ Yes ❑ No
    - If YES, please provide us with the date of purchase, product description, and the cost.

12. **Did you pay sales taxes on a major purchase in 2017, such as a vehicle or boat?** ❑ Yes ❑ No
    - If YES, please provide a copy of the invoice.

13. **Did you or your spouse make gifts totaling more than $14,000 to any individual during the year?** ❑ Yes ❑ No
    - If YES, please provide recipient name, address, relationship to you and the amount of the gift. A gift tax return may be required.

14. **Did you pay anyone $1,900 or more for domestic services such as cleaning, babysitting, or cooking in your home?** ❑ Yes ❑ No
    - If YES, please provide details. Household employer taxes may be due.

15. **Did you incur moving expense as a result of a change in or relocation of your place of work?** ❑ Yes ❑ No
    - If YES, please prove amounts paid to ship & store household goods $______, travel expenses incurred while moving $________. **Note: Meals are not deductible.**

16. **Are you a K-12th grade teacher?** ❑ Yes ❑ No
    - If YES, did you incur out-of-pocket classroom expenses? Amount $_________

17. **Did you incur any child care expenses such as day camp, day care, or other after school activities so you could work or go to school?** ❑ Yes ❑ No
    - If YES, for each provider, include the amount paid per child, the name of the provider(s), their address and their Federal Tax ID#.

18. **Did you pay college or higher education tuition or related expenses in 2017?** ❑ Yes ❑ No
    - If YES, please indicate the amounts **paid** for Tuition:__________________Books:_______________
    - Please provide us a copy of 1098-T.
    - Please provide statement showing actual amount paid; we are unable to rely on the 1098-T amount.

19. **Did you contribute to a section 529 college savings program?** ❑ Yes ❑ No
    - If YES, please let us know how much was contributed per child, and what state the 529 plan is in.
    - Child________________State_________________Amount_____________________
    - Child________________State_________________Amount_____________________
    - Child________________State_________________Amount ____________________

20. **Did you purchase or dispose of any business assets (furniture, equipment, vehicles, real estate, etc.), or convert any personal assets to business use?** ❑ Yes ❑ No
    - If YES, please provide us a listing of the assets description, cost/sales price, and date purchased/sold.

21. **Do you need assistance with forming a corporation or LLC for your business? Significant tax savings are usually available by operating this way, rather than as a sole proprietor.** ❑ Yes ❑ No
    - If YES, please let us know and we will provide you with further information so you can make an informed decision.

22. **Will there be significant changes in taxable income next year (e.g. retirement or a new business)?** ❑ Yes ❑ No
    - If YES, please provide details.

23. **Do you want to designate $3 to the Presidential Election Campaign Fund?**
    - Taxpayer: ❑ Yes ❑ No Spouse: ❑ Yes ❑ No

24. **Did you use your car for business purposes?** ❑ Yes ❑ No
    - Date vehicle was placed in service___________________________
    - Vehicle Year, Make & Model ______________________________
    - Total Mileage driven during the year_________________________
    - BUSINESS mileage driven during the year___________________(not commuting miles)

25. **Did you have a home office in 2017 that you used for business?** ❑ Yes ❑ No
    - If YES, check to see if you qualify by completing Exhibit A (Home Office Expenses) on the next page.

Exhibit A

Did you make any payments of $600 or more to anyone individual in 2017? Yes____ No_____ N/A____

If YES, did you or will you file Form 1099-MISC? **Yes_____ No______ N/A_____**

Please provide copies of all Gross Receipts Tax reports submitted to NM Tax and Revenue

Complete for Self-Employed	*Complete for Home Office Expenses*
Type of Business: ____________________	❑ First check to see if you meet the primary & exclusive use test. **If you qualify, please complete the bottom section.**
End of Year Inventory Cost: $____________________	**Home Office Qualification for Schedule C Business Entities:** 1. You must meet one of the following three usage requirements: a. Separate structure not attached to the dwelling unit that is used exclusively & regularly for your business activity. b. If within your living structure, a room/space used regularly to physically meet with customers and never used for personal purposes. c. Or, if within your living structure, a room/space used as the only office space for your business (no commercial location) and you either spend the majority of your time working there (not out of the house) or it is the only suitable place for performing administrative or management activities required by the business. If you sell retail product, it may also include the storage space for the product. 2. If you qualify under any one of the three rules above, the home office must be used EXCLUSIVELY for the business. 3. It must be regularly used for the business, you must use the home office in connection with your work on a continuous, ongoing, or recurring basis—generally, at least a few hours every week. Occasional or sporadic business usage will not pass the test.
Self-Employed Income Income per 1099-MISC: $____________________ Income not on 1099-MISC: $____________________	
Total Income: $____________________	
Expenses Advertising: $____________________ Bank Charges: $____________________ Computers & Equipment: $____________________ Dues & Subscriptions: $____________________ Health Insurance: $____________________ Insurance – other: $____________________ Legal & Professional Fees: $____________________ Materials & Supplies: $____________________ Miscellaneous: $____________________ Office Supplies: $____________________ Outside Labor: $____________________	
Postage & Shipping: $____________________ Purchases: $____________________ Rent: $____________________ Repairs & Maintenance: $____________________ Travel: $____________________ Other – explain: $____________________ Other – explain: $____________________	Original cost of the home: $______________ Date home was acquired: ______________ Total sq. ft. of your home: ______________ Date home was placed in service: ______________ Sq. ft. used exclusively for business: ______________ Home's FMV* when business use began: ______________ *FMV=Fair Market Value
Total Expenses: **$**____________________ **Profit/Loss:** **$**____________________	**Expenses** (Record expenses at 100%): Deductible home mortgage interest: $______________ Real estate taxes paid: $______________ Insurance: $______________ Rent: $______________ Repairs/Maintenance (whole house): $______________ Repairs/Maintenance (business space only): $______________ Utilities: $______________ Other Expenses (e.g. security/HOA, etc.): $______________

Exhibit B
Rental Income

Complete for Rental Property 1:

Date Property Acquired?	
Purchase amount?	
Improvements since purchased?	
Percent of property you live in?	

Days rented in 2017_____
Personal use days_______

Rental Income

Income per 1099-MISC		
Income not on 1099-MISC		
Total Income		

Expenses

Advertising	$	
Bank Charges	$	
Cleaning & Maintenance	$	
Commissions	$	
Computers & Equipment	$	
Insurance	$	
Legal & Professional Fees	$	
Major Improvements*	$	
*If greater than $2,500, list separately with dates of purchase.		
Management Fees	$	
Miscellaneous	$	
Mortgage Interest	$	
Real Estate Taxes	$	
Repairs	$	
Supplies	$	
Travel	$	
Utilities	$	
Other - explain	$	
Total Expenses	$	
Profit/(Loss)	$	

Complete for Rental Property 2:

Date Property Acquired?	
Purchase amount?	
Improvements since purchased?	
Percent of property you live in?	

Days rented in 2017_____
Personal use days_______

Rental Income

Income per 1099-MISC	$	
Income not on 1099-MISC	$	
Total Income	$	

Expenses

Advertising	$	
Bank Charges	$	
Cleaning & Maintenance	$	
Commissions	$	
Computers & Equipment	$	
Dues & Subscriptions	$	
Insurance	$	
Legal & Professional Fees	$	
Major Improvements*	$	
Management Fees	$	
Miscellaneous	$	
Mortgage Interest	$	
Real Estate Taxes	$	
Repairs	$	
Supplies	$	
Travel	$	
Utilities	$	
Other - explain	$	
Total Expenses	$	
Profit/(Loss)	$	

Jon Bell, CPA LLC
Certified Public Accountant & Business Advisor

Audit Protection PLUS Service

The IRS and state taxing authorities continue to audit taxpayers using a targeted method of return selection. While audit rates have leveled off, they are still near 10 year highs. Computers "score" tax returns and also crosscheck information from various sources, such as 1099's and K1s; this allows the government to identify missing, inconsistent or suspicious information! The tax authorities also generate substantial amounts of "nuisance mail", and like it or not, the IRS and state taxing authorities assume their conclusions are correct unless you prove otherwise.

If you are selected for an audit (and it's still a bit of a lottery), we will be pleased to represent you. Since the fees for doing this can be quite substantial, we are pleased to offer our **Audit Protection PLUS Service.**

Here's how it works: For an additional fee of $79 or 15% of the tax-prep fee, whichever is higher, we will perform the following services:

- We'll waive our hourly fee for up to 10 hours of audit representation up to the appellate level, at NO charge. Regular fee: $1,000 retainer + rate of $200/hour.

- We'll deal with any "nuisance mail" written notices from federal or state taxing authorities on your behalf. Regular fee: $200/hour.

- **PLUS** - We'll prepare income verification ("comfort") letters for lenders or other parties. ($200 value)

- **PLUS** - We'll provide additional copies of your tax returns upon your request. ($25 value)

- **PLUS** - In the event a return is fraudulently filed under your social security number, we will waive our fee to assist with dealing with federal and state taxing authorities. ($200/hour value)

- **PLUS** - We'll provide a tax planning service of your choosing. – This could include our "Tax Tune-Up" to see if you're taking full advantage of the tax savings opportunities available to you. Alternately, we can review your withholdings to make sure you're on track for the year or look at how the new tax legislation will affect you in 2018. Offer valid May 1 through December 31, 2018. ($150 value)

- **NEW!** – Document shredding, up to 25 lbs. at our office location. Offer valid though 12/31/18. ($150 value)

Audit Protection PLUS Service is only valid while you are a current client of Jon Bell, CPA LLC. You are responsible for maintaining adequate records and making them available to us. You are also liable for any additional taxes, penalties, or interest assessed.

If you would like to take advantage of this service, simply pay the additional amount indicated on the invoice for preparation of your return. If you wish to opt OUT, we will still be pleased to handle any questions from the taxing authorities and to represent you in audit situations – we will then bill you additionally at our normal rates.
We trust you will find this service a tremendous value!

1303 Rio Grande Blvd NW, Suite 6
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Phone: (505) 385-3535 | **Fax:** (505) 715-5515 | **Email:** admin@jonbellcpa.com

Jon Bell, CPA LLC
Certified Public Accountant & Business Advisor

#6

Payment Policy

We respectfully request that our fees for professional tax preparation services rendered are paid before your tax return is delivered to you or electronically filed for you.

Our professional fees are based upon the complexity of the work to be performed, our professional time, and out-of-pocket expenses. In addition, these fees depend upon the timely delivery, availability, quality, and completeness of the information you provide to us. You agree that you will deliver all records requested and respond to all inquiries made by our staff to complete this engagement on a timely basis. You agree to pay all fees and expenses incurred whether or not we prepare the income tax returns.

For your convenience, we accept checks, electronic checks, credit cards (3% service fee applies), or cash.

We are 100% committed to you as our valued client, and your complete satisfaction.

We appreciate the opportunity to be of service to you. If you have any questions regarding these terms, please contact us and we will be happy to discuss it further with you.

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#7

When Will My Tax Return Be Finished?

We are often asked about our process and the time it takes to complete a return. While the quantity of time needed to complete a return is different for every client, the process itself remains the same.

Collecting Documents

In mid-January we begin receiving a steady flow of tax documents. Most clients send us their documents as they receive them rather than sending complete packets. Either way works, but we recommend getting your documents to us quickly as we complete returns in the order that complete files are received.

Processing Your Return

Once your complete file has been received, the preparer will enter your tax information into our system. At this point, research may be involved in completing your return as many of our clients have complicated tax situations and multiple states involved.

But Wait–What About Extensions?

If an extension is needed, we will do our best to review the information provided to us and give a quick estimate to determine if you will owe. This estimate will be based on one or both of the following:

- The information that you have provided to us (source tax documents and income projections)
- The results of your previous year's return.

Please understand that this is an estimate based on available information and may not reflect your actual results.

Review

The preparer's work is complete and it's time for Jon to review the return for accuracy. At this point, he will do an in-depth inspection of your return to make sure that all information has been entered accurately. **Please understand that we will refrain from giving you an estimate of the results until Jon has completed his review.** It is possible that Jon will have questions so keep an ear out for your phone.

Completion

Once Jon's review is complete and he is satisfied that your results are accurate, he will gather the information for our office administrator to summarize and email to you. You will have an opportunity to review the return too. Once you feel comfortable that your return is complete, sign your return electronically or in person. We will file your return upon receipt of payment. Once we receive confirmation that your return has been accepted by the IRS and state(s) we will send you an acknowledgement letter via the client portal or regular mail. Then you're done for the year!

Estimated time to complete: Ranges anywhere from one week at the start of tax season to six weeks or more for projects received in March or later. Occasionally, we find that clarification/additional information are needed to complete your return, and we have to circle back to you for those missing items. In this scenario, the sooner we receive the missing information, the sooner we can complete your tax return.

We hope this gives you a clearer picture of our process and a better understanding of the time it takes to complete a return. If you have any questions or concerns about the status of your return, please don't hesitate to give us a call.

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