

Smith  Sullivan
& Brown PC
CERTIFIED PUBLIC ACCOUNTANTS

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Dear Friends and Clients,

Happy New Year and Welcome to the 2021 Tax Season!

What a year it has been! We look forward to working with you to prepare your individual tax returns and since there have been some significant developments this year, we have implemented a few changes to our preparation process. Enclosed you will find our **updated standard engagement letter**, along with a **tax organizer packet**, both of which are an important part of preparing your 2020 individual income tax returns. The engagement letter is an agreement which simply confirms the arrangements and responsibilities involved in preparing your tax returns. The engagement letter also outlines our individual tax preparation fee structure.

Due to COVID-19, we are scheduling all appointments by zoom video conferencing or by telephone for the upcoming tax season. We are requesting that you schedule your appointment and then send your tax information ahead of that meeting (10 days in advance). This will allow us to prepare draft tax returns for review during your appointment and to have a discussion relating to any issues.

Once you have gathered your tax information, or the majority of the information, please call to schedule your appointment (using the appointment process mentioned above) or if you feel that a meeting is unnecessary, simply mail, email or drop off all of your tax information with the signed engagement letter and the signed paper or electronic organizer to our office and be sure to include a telephone number or e-mail address where you can be reached. **Due to the continuing pandemic, we will have a drop-off box in the lobby on the first floor and ask that you call the office when you drop off the information; someone will immediately retrieve your package.**

Lindsey McAvey will be coordinating the tax appointment calendar. Lindsey can be reached at extension 110 or by email at Lindsey@ssbcpa.com. Unless otherwise requested, Lindsey will be scheduling appointments in one-hour time blocks, so if you have a particularly complicated tax return, please be sure to let her know to block off additional time. We will be scheduling appointments to begin on February 8, 2021. If you have deadlines imposed for any reason, please contact us immediately to schedule an early appointment.

We are making every effort to be efficient in the preparation of your tax returns and ask that you provide all of your information at one time. If time becomes an issue, and you are missing or know you will be waiting on information, please send in the majority of your information, so that we can prepare as much as possible. Our policy is to process all tax returns in the order that they are received, so if you have a specific deadline or other time constraint, please advise us as early as possible.

The tax organizer is meant to assist you in gathering the appropriate information necessary to prepare complete and accurate tax returns. From an economical viewpoint, a completed organizer will enable us to compile and review the tax return in a more efficient manner, and thus minimize the cost of preparing your returns. In response to increased IRS regulation and hefty fines imposed on tax preparers, we have implemented a policy whereby **we must receive your signature(s) on the engagement letter, the engagement letter questions must all be answered, and the organizer questions must be answered "yes" or "no" in order to process your tax returns.** If any questions are left blank throughout the organizer, the answer will be assumed "NO" or "\$0".

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Please note that the organizer may contain pages which do not apply to your situation, **but please be sure to complete the personal information page, dependents and wages page, the electronic filing information page and direct deposit and withdrawal information page.** Please make sure that the organizer reflects your most recent address and contact information, including email addresses for the taxpayer and spouse, and date(s) of birth. Also, if you are eligible to deduct mileage for any purpose, you must provide us with your total mileage information for the year, including business, commuting, personal, medical, move-related, and charitable mileage.

If you would prefer to complete your tax organizer electronically, please contact the office by email at contact@ssbepa.com or phone 508-871-7178 to make this request.

Please bear in mind that it is not necessary to transfer the numbers from your forms 1099, 1098, W-2 and K-1's onto the organizer; in fact, we enter that type of data directly from the actual tax forms. You should provide all form 1099s, 1098s, W-2s, K-1 forms, excel spreadsheets and/or Quicken/QuickBooks (or other similar) reports. These documents, if provided or referenced in the organizer, will be incorporated by reference into our engagement. With electronic filing, we are required to input and review complete W-2, 1099, 1098 and K-1 information, including the employer/payee identification numbers prior to electronically filing the tax return. Please be sure to provide all **original (if you are mailing or dropping off) or pdf copies (if you are submitting your information electronically) of your W-2, 1099, 1098 and K-1 forms to us.**

We are required to electronically file all individual tax returns unless you specifically state in writing that you do not want to electronically file your return. Therefore, if you are strongly opposed to filing electronically, please be sure to indicate your choice on the engagement letter. As a reminder, if you file your tax returns electronically, it does not mean that you must also pay your taxes electronically.

Please note that complex 2021 tax planning is not part of your 2020 tax preparation services, but we will be happy to assist with the preparation of estimated tax vouchers for safe harbor planning. We can set up a separate appointment or telephone conference after April 15th if more complex tax planning is needed.

Each year, as we approach the end of tax season, with only one or two weeks to go, we receive a staggering amount of tax returns to process, and while we scramble to accommodate all of our clients, we find it nearly impossible to accommodate everyone. **Please understand that we will make every effort to complete each and every tax return; however, if we receive your tax information after March 31, 2021, assuming that we have sufficient information, we will prepare extension forms for your 2020 tax returns.**

We are looking forward to a tax season with less interruptions this year and we will continue to look for ways to improve and streamline our tax preparation services to minimize the turn-around time. Our goal is to work together as a team and to provide you with professional, yet cost effective, tax preparation and consultation. As always, we thank you for your business and your referrals, and we look forward to hearing from you soon.

Sincerely,



Maureen L. Sullivan, CPA
Partner

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& Brown PC
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Dear Tax Client:

We are looking forward to a smooth, efficient tax season this year! Below is a quick list of information we'll need so that we can make the tax preparation process as efficient as possible for all parties.

DO's and DON'Ts

1. **DO** Complete the Tax Organizer. We do not require that you fill in information that is already provided on a tax form, but the questions, personal information, bank information and any other information or changes that you need to convey to us should be completed;
2. **DO** sign the 2020 Engagement Letter and answer all of the questions on the final page. The letter must be signed by both the taxpayer and spouse. Without a signed engagement letter, we cannot prepare your returns;
3. **DO** let us know of any changes to your family. Send us copies of Social Security Card/Numbers for each new addition to the family;
4. **DO** include **ALL** pages of your tax documents, both front and back, monthly or year end investment statements are not needed;
5. **DO NOT send us JPEG's or cell phone photos of documents.** Unfortunately, they are not compatible with our tax software;
6. **DO** include all closing statements regarding the sale, purchase, or refinancing of real property;
7. **DO** include the childcare provider's name, address and social security number or EIN if you have daycare expenses. If you have multiple children, **DO** provide a breakdown of expenses for each child by each childcare provider;
8. **DO** provide the dates and amounts of each federal and state estimated tax payments;
9. **DO** provide a summary of medical expenses and charitable contributions, **DO NOT** send us the individual receipts for cash donations. If you make non-cash donations, **DO** provide the contribution receipt with the fair market value of the goods donated written on the receipt and the date donated.
10. **DO** provide us with a transcript of payments and charges for tuition, if applicable, in addition to the Form 1098-T and/or Form 1099-Q;
11. **DO** provide us with any IRS or state notices that you may have received during the year, if you have not already provided them to us
12. If you are submitting tax documents for you as well as your dependents, **DO** separate and group the forms by taxpayer;
13. **DO** send any outstanding tax information (after submitting initial package) to contact@ssbcpa.com. This will ensure the information is processed as soon as possible.

1099 Forms Required for Rental Properties Treated as a Trade or Business:

Due to the 2018 Tax Cuts and Jobs Act, rental property that can be treated as a trade or business will be required to issue 1099 forms to vendors, based upon the 1099 rules for the 2020 tax year. If we considered your rental property a trade or business for 2019, or if you think it will be considered a trade or business for 2020, you may have a 1099 filing requirement. You should contact us with any questions regarding this as soon as possible in order to meet the 1099 filing deadline of January 31, 2021.

Just a Reminder

Schedule Your Appointment Early. We are now booking tax appointments (video conferencing or telephone) and encourage you to make your appointment as soon as possible. For those of you who are out-of-state, we encourage you to either mail or scan documents as soon as you have all forms and documents.

Our policy is to process all tax returns in the order that they are received. While we work quickly and efficiently, it is impossible for us to work around the clock. If it looks like all of your documents are not going to be available, or we are not going to be able to complete your return by the due date, you may request that we file an extension on your behalf, if the request is within the timing deadlines as described on the tax engagement letter.

There Is NO Extension for Paying Taxes Due on/by April 15. Please remember that there is NO extension to pay taxes that are due on April 15 of each year. To be considered paid on time; taxes must be paid by April 15, 2021. Filing an extension of time for your tax return does not extend the time you have to meet and pay your tax liability. If you have a tax liability after the April 15th due date, you will incur additional late payment penalties and interest.

BEWARE of IRS Imposter Scams. Please remember the IRS will almost never initiate contact with you via the telephone, e-mail, or by knocking on your front door. They will generally make contact by phone or in person only after a taxpayer has received multiple written notices. The IRS will never ask you to pay a tax liability with prepaid cards of any type. Do not provide any personal/confidential information over the telephone or by email. Contact us if you are unsure.



ELECTRONIC IS THE BEST WAY TO GO FOR THE 2021 TAX SEASON!

You have received your paper tax organizer in the mail.....but now you would like to complete your tax organizer and submit your tax documents electronically?
NO PROBLEM!

E-mail your electronic organizer request to contact@ssbcpa.com or call the office at 508-871-7178 at any time! Please indicate your name and e-mail address for both taxpayer and spouse (if applicable) in your e-mail.

As the COVID-19 pandemic continues, we all have become more reliant on remote access, secure portals, document sharing and video conferencing.

This year, we strongly encourage you to utilize the **electronic organizer** option. Avoid trips to the post office, mail delays and go **ELECTRONIC** for the 2021 Tax Season!