

# CLIENT ACCEPTANCE

The following tax returns have been prepared and e-filed on Client's behalf – unless otherwise indicated below – by Monica Haven, E.A. (EA):

- Federal       State(s): \_\_\_\_\_       TY'23       Other: \_\_\_\_\_  
 Business: \_\_\_\_\_       Fiduciary: \_\_\_\_\_       Estate       Gift       Other: \_\_\_\_\_  
 Previously unfiled returns – Tax Year(s): \_\_\_\_\_       Amended returns – Tax Year(s): \_\_\_\_\_  
 Client has elected or is unable to e-file. Client understands that electronic filing may provide some benefits (incl. acknowledgment that tax authorities have received the return, reduced chance of processing errors, and faster refunds), Client hereby assumes responsibility for mailing or otherwise submitting paper returns and understands that EA will not file, mail, or submit the returns on Client's behalf.

Client's signature below indicates that:

**Responsibility:** Client has reviewed the returns and confirms that all information contained therein is as Client has provided to EA and that nothing was added nor deleted which would understate Client's tax liability.

**Other Jurisdictions:** Client understands that it is Client's obligation to inquire, identify and inform EA if Client is subject to filing requirements in taxing jurisdictions other than the one(s) for which Client has explicitly engaged EA (e.g., other states, countries, or taxing authorities).

**Worldwide Assets & Income:** Client is aware that US taxpayers are required to report income from US as well as foreign sources. Client understands that US taxpayers who own, have an interest in or have signature or other authority over asset(s) in a foreign country may be required to report the existence of such asset(s). As a result, Client has reported to EA any and all foreign asset(s) which Client owns or over which Client has signature authority, including but not limited to funds in foreign financial institutions, real estate, rights to foreign retirement accounts and pensions, foreign estate or trust distributions, life insurance with cash surrender values, and other foreign asset(s).

**Health Insurance:** Although the federal Shared Responsibility Penalty has been repealed, CA taxpayers are nevertheless required to maintain qualifying healthcare coverage. Client seeking to avoid imposition of the state- mandated penalty must provide proof of insurance coverage or a certificate of exemption from the insurance exchange.

**Digital Assets:** EA has explained to Client that the IRS treats virtual currency as property (not currency), that gains may be eligible for long-term capital gains rates if held for the requisite period, and that losses will be subject to the capital loss limitation of \$3,000. Wages paid to employees and payments made to independent contractors using virtual currency are taxable to the worker. Taxpayers who mine cryptocurrency must include the fair market value of the mined currency in gross income. If the taxpayer is in the trade or business of mining currency or buying and selling non-fungible token (NFTs) and is not considered an employee, the mining income will be subject to self-employment tax. If applicable, Client has informed EA of all virtual transactions that occurred during the tax year.

**Repair Regulations:** EA has performed a summary review of Client's past depreciation schedules to help Client determine if further analysis is warranted to comply with IRS regulations regarding the expensing or capitalizing of costs incurred in Client's trade or business. Client is aware that Client's prior-year returns have been prepared by EA on the principle that a capital asset is a unit of property with a useful life exceeding one year and an acquisition cost exceeding a few hundred dollars. These assets have in the past been depreciated rather than expensed. EA will continue to employ this same approach which is consistent with the new regulations unless Client affirmatively elects and submits a written request to EA to make a retroactive accounting method change.

**Payroll Issues:** Client understands that it is Client's responsibility to properly classify individuals Client has hired as employees or independent contractors, to engage a payroll service company, or timely request that EA issue informational returns to affected payees; that landlords and business owners must comply with these rules; and that domestic employers are subject to payroll reporting and other employment legislation. Client understands that California presumes that most workers are employees unless A) the hiring entity does not control or direct the worker's performance; B) the worker performs work that is not part of the employer's usual business; and C) the worker operates an independently established business that is of the same nature as the work performed for the employer [known as the A-B-C Test].

**Unrelated Business Income (UBI):** Client understands that Form 990-T is required to be filed if UBI for any retirement plan invested in a limited partnership exceeds \$1,000 during the tax year. (Form 990-T may also be filed to claim a loss carry-over if UBI nets to a loss.) Failure to pay the resulting tax liability with assets of the retirement plan may result in a prohibited transaction; thereby disqualifying the account and mandating a taxable lump-sum distribution of all assets. Client understands that it is the obligation of the IRA trustee to file all requisite tax returns and that it is Client's responsibility to contact the trustee to ensure the Form 990-T – if required – has been properly and timely filed.

**Electronic Banking:** It is Client's responsibility to verify bank routing and account numbers if Client authorizes federal and/or state tax authorities to electronically withdraw funds for payment of taxes due or to have refunds directly deposited to Client's account.

**Copies:** Client has received signed copies of returns prepared by EA in paper or electronic form and may request additional copies for \$150/return plus postage. Client has been advised to keep these copies and all supporting documentation regarding the income and deductions claimed on Client's return for at least five (5) years. EA has returned all original supporting documentation and data to Client.

**Communications:** Client agrees to promptly provide copies of *all* pages of communications received from tax authorities to EA for advice and review. Client will keep the original notice (including envelope).

**Engagement:** Client is aware that EA has now satisfied the Engagement Agreement and that EA has no further contractual obligations to Client. If needed, Client may request additional services under a separate agreement and fee structure.

*In compliance with the provisions of the Gramm-Leach-Bliley Act of 1999, Client is hereby informed that EA does not disclose any nonpublic personal information about current or former clients to anyone, except as instructed to do so by such Client. EA restricts access to nonpublic personal information to those professionals who may assist in the preparation of Client's return or provide tax advisory and bookkeeping services. EA has instituted all reasonable measures, including physical, electronic, and procedural safeguards to protect Client's nonpublic personal information. Client, however, assumes the risk of loss of confidentiality and/or tax documents during electronic transmission via the internet or mailing via U.S. Post Office or other third-party delivery services. Client is hereby informed EA can provide tax planning services only with Client's written consent.*

Client Signature: _____	Print Name: _____	Date: _____
Spouse's (RDP's) Signature: _____	Print Name: _____	Date: _____
[If married, both spouses <i>must</i> sign]		

**Monica Haven, EA, JD, ULM**

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