2025 Individual Tax Return Engagement Letter

Dear Client:

It’s tax season….again. I look forward to providing you with tax return preparation services this year! The purpose of this letter and attached “Additional Engagement Terms” is to specify the terms of our engagement and clarify the nature and extent of the services I will provide. This way, you know what to expect from me, and I can endeavor to delight you with high-quality, seamless services.

I strive to make the tax return process as straightforward and convenient as possible for you. My goal is to minimize any hassle on your end while also making things as efficient as possible on my end. This allows me to deliver your returns expediently, while also bringing to bear a high level of technical expertise and personal service. It also helps me keep our costs down for all clients.

Please submit your information as early as possible. A tax organizer can be used to remind you of the information needed and to allow you time to organize. Be sure to note any changes over the prior year to your address, marital status, number of dependents, job changes, etc. You do not have to use the tax organizer if you do not want to. But at a minimum, please answer the first couple pages of tax questions to ensure that I have all the information needed to prepare your tax returns accurately. If I prepared your returns last year, I’ll provided you with the tax questionnaire. If you are a new client or would like an organizer to assist you with gathering documents, please let me know and I’ll get you one.

FORM 1099 INFORMATIONAL RETURN DEADLINE

The tax filing deadline for issuing Form 1099s to recipients is January 31, 2026. There is no extension for this form. Businesses are required to issue a Form 1099 to taxpayers and businesses (other than a corporation) who has received at least $600 or more in non-employment income during the tax year. If you would like me to prepare these forms for you, please ensure that you have complete W-9 information for each taxpayer that will need a Form 1099 and provide that information to me no later than January 20th, 2026.

BUSINESS TAX RETURN DEADLINE

The tax filing deadline this year for Partnership (Form 1065) and S-Corp (Form 1120-S) returns, without extension, is March 15, 2026. C-Corp (Form 1120) returns are due April 15th, 2026 without extension. I recommend that you compile your information and once all documents have been received, submit it to me as soon as possible. I process returns on a “first-come, first-served” basis. In order to have your return completed before March 15th, please submit your tax information to me no later than February 24th, 2026. If your information is received after February 25th, your return may be extended and filed after March 15th. Rushed returns can be arranged for an additional fee.

PERSONAL TAX RETURN DEADLINE

The tax filing deadline this year for personal returns (Form 1040), without extension, is April 15th, 2026. I recommend that you compile your information and once all documents have been received, submit it to me as soon as possible. I process returns on a "first-come, first-served" basis. In order to have your return completed before April 15th, please submit your tax information to me no later than April 5th, 2026. If your information is received after April 10th, your return may be extended and filed after April 15th. Rushed returns can be arranged for an additional fee. Remember that an extension of your tax return is not an extension to pay the tax due. It is merely an extension to file your tax return. Any tax due is still due April 15th.

2025 TAX SEASON APPOINTMENTS

If you do not need to meet with me, you may submit your documents directly to my office without an appointment via my Client Xchange Portal. If you do not have access to the client portal, please let me know and I'll get you the link to upload your tax support documents for preparation. Information may also be mailed to our office or emailed. If you choose to email your information, please take steps to ensure cybersecurity (i.e., password protecting documents, etc.). I will always follow up with you regarding any questions during the preparations of your tax returns and make sure that you have time to review your completed returns and ask any questions you may have before filing. Most clients find it more beneficial to meet after the returns are completed, if they want to meet at all.

This schedule is effective from January 9, 2026 and continues through April 15th, 2026.

I find that most tax questions can be answered over email or text as many clients appreciate being able to refer back to written answers especially when it pertains to confusing tax law. However, there are times that phone calls are necessary. And if you have new or unusual circumstances that you would prefer to discuss over the phone, please email me at mike@knightencpa.com to set up an appointment for a phone call.

FEES

My fees for tax preparation are based on the complexity of the return and the time it takes to prepare and file it. I prefer to give you a flat fee prior to the preparation of the returns so there are no surprises when the work is completed. To do this, I will need to see the prior tax return that was filed and any details about major changes in the current tax year. If you are agreeable to the fee, I will have you sign our engagement letter, give you access to the client portal, ShareFile, and I will get started on the work.

I accept cash, checks, and electronic payments via Cashapp or Venmo. You can find me on CashApp by searching @RMKCPA, on venmo by searching @RMKCPA484.

CLIENT PORTAL: Client XChange

All tax support documents and returns will be available through our secure client portal. This portal will allow you to log in to gain access to your tax returns and other confidential documents at any time. Information regarding how to access our secure client portal will be provided when you request an initial fee quote for tax preparation. I am happy to mail copies of tax returns by paper if requested.

Please let me know if you have any questions.

I highly value my client relationships. Your recommendation to an associate, friend or family member is more significant than any advertisement. I sincerely appreciate your patronage and as always, I strive to provide you with professional and efficient service.

If you have any questions regarding this letter or our services, please do not hesitate to contact me.

Sincerely,

Scope of Services

With this letter, you are engaging me to prepare your 2025 U.S. and state individual income tax returns. I will do so with the information you furnish to us in the process described below. If you have taxable income or loss in a state or locality other than your resident state, please let us know, and I would be pleased to prepare the required nonresident state tax return(s). In addition, you may have a filing requirement or tax liability in a foreign country. Generally, you are responsible to determine whether you must file and pay taxes in a foreign country; however, upon request, I would be pleased to assist you in making these determinations. I will not prepare any tax returns other than those identified above, without your written request, and my written consent to do so.

I will prepare the above-referenced tax returns solely for filing with the Internal Revenue Service ("IRS") and applicable state and local tax authorities. My work is not intended to benefit or influence any third party, either to obtain credit or for any other purpose.

You agree to indemnify and hold us harmless with respect to any and all claims arising from the use of the tax returns for any purpose other than filing with the IRS, state and local tax authorities regardless of the nature of the claim, including the negligence of any party.

This engagement is limited to the professional services outlined above.

Responsibilities of the Client

You are responsible for providing all necessary documentation, including Forms W-2, 1099, and 1098, to ensure accurate and complete returns. You must maintain adequate records to support all income, expenses, and deductions claimed, as required by law (e.g., for meals, travel, and charitable contributions). I will provide you with organizers and questionnaires to help you gather this information.

I may ask you to clarify information, but I will rely on your representations that the information you provide is accurate and complete. You are solely responsible for filing the returns with the appropriate taxing authorities.

Impact of New 2025 Tax Laws

The One Big Beautiful Bill Act, signed into law in July 2025, makes significant changes to the tax code effective for the 2025 tax year. We will apply these new provisions to your return where applicable. Key changes include:

- Increased Standard Deduction: The standard deduction has increased to $15,750 for single filers, $31,500 for married couples filing jointly, and $23,625 for heads of household.

- **New Deductions:**
  - An additional temporary deduction of $6,000 for taxpayers age 65 and older (subject to income phaseouts).
  - A deduction for up to $25,000 in qualified tip income (subject to income phaseouts).
  - A deduction for up to $12,500 of qualified overtime pay for single filers ($25,000 for joint filers), also with income limitations.
  - A deduction for up to $10,000 of interest paid on loans for qualifying new U.S.-assembled vehicles.
  - Increased Child Tax Credit: The maximum child tax credit has increased to $2,200 per qualifying child.

- **SALT (State and Local Tax) Cap Increase**: The cap on the itemized deduction for state and local taxes (SALT) is temporarily raised to $40,000 for married couples filing jointly.

I encourage you to discuss these changes and any potential impact on your specific tax situation with me, especially regarding recordkeeping for new deductions.

Other Matters

Invoices are subject to interest if overdue. I reserve the right to suspend my services if your account becomes past due.

I appreciate the opportunity to work with you. Please sign below to acknowledge your acceptance of these terms and conditions

Signature Authorization Form to begin work on your tax information

The undersigned hereby authorizes R Michael Knighten CPA and all my/our representatives, agents, and employees to furnish my full and complete personal financial information and documents as necessary to those personnel connected with preparing and reviewing my/our federal and/or state tax return(s), amendments or other tax services which are required/requested.

AGREED TO AND ACCEPTED:

By: ____

____
Signature Print Name (Taxpayer)

By: ____

____
Signature Print Name (Spouse)

Date: ____

IRS CIRCULAR 230 DISCLOSURE
In order for me to comply with certain U.S. Treasury regulations, unless expressly stated otherwise, any U.S. federal tax advice that may be contained in this written or electronic communication, including any attachments, is not intended or written to be used, and cannot be used, by any person for the purpose of (i) avoiding any tax penalties that may be imposed by the Internal Revenue Service or any other U.S. federal taxing authority or agency or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed herein.