

2024 TAX CONSULTING ENGAGEMENT LETTER

[FIRM NAME]

[Firm Address]

[City, State ZIP]

[Phone Number]

[Email]

Date: _____

Client Name: _____

Client Address: _____

City, State ZIP: _____

Dear _____:

Engagement Purpose and Scope

Thank you for selecting [FIRM NAME] ("firm," "we," "us," or "our") to provide professional tax consulting services to you ("you" or "your"). This letter confirms our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

Scope of Services

We will provide tax consulting services related to the following matter(s):

- ☐ Tax planning and projections
- ☐ Entity selection and restructuring
- ☐ Mergers and acquisitions tax analysis
- ☐ Tax controversy representation
- ☐ Estate and gift tax planning
- ☐ International tax consulting
- ☐ State and local tax matters
- ☐ Other: _____

Specifically, our services will include:

[DESCRIBE SPECIFIC SERVICES TO BE PROVIDED. EXAMPLES:

- Analysis of tax implications for proposed business restructuring
- Development of tax-efficient strategies for your succession planning
- Evaluation of potential tax consequences for your planned acquisition
- Research and analysis regarding specific tax questions you have presented
- Review of prior year tax filings to identify potential tax savings opportunities]

Our consulting services will be based on the facts and information you provide to us. We will not audit or independently verify this information.

Services Not Within Scope

Unless specifically included in the scope described above, this engagement does not include:

- Preparation of any tax returns, forms, elections, or other tax filings
- Representation before tax authorities
- Bookkeeping or accounting services
- Preparation or review of financial statements
- Business valuation services
- Ongoing tax compliance monitoring
- Legal advice or services

If you require services beyond the scope of this engagement, we will discuss your needs and, if agreed upon, prepare a separate engagement letter for those services.

Our Responsibilities

We will perform our services in accordance with the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants and U.S. Treasury Department Circular 230 regulations.

We will provide you with our professional analysis, judgments, and recommendations. Our services represent our best judgment based on the information provided and the tax laws as we understand them at the time of the consultation. However, tax laws are subject to change and interpretation, and our conclusions may be affected by future developments in tax law or changes in your circumstances.

All advice provided under this engagement will be based on the facts, assumptions, and representations stated or referred to in our deliverables. If these facts, assumptions, or representations are not entirely correct or complete, our advice may be inappropriate.

Your Responsibilities

You are responsible for:

1. Providing complete and accurate information necessary for us to perform the consulting services
2. Informing us of all relevant facts that may affect our advice or conclusions
3. Timely responding to our inquiries and requests for additional information
4. Making decisions regarding implementing our recommendations
5. Consulting with legal counsel regarding any legal matters related to our services
6. Notifying us of any changes in your facts or circumstances that may affect our advice
7. Retaining all documents that may be necessary to substantiate any positions taken on tax returns

You agree to provide us with accurate and complete information. Our advice will be based on such information, and we will not be responsible for any consequences resulting from incomplete, inaccurate, or untimely information provided to us.

Confidentiality

We will maintain the confidentiality of all information you provide to us in accordance with our professional obligations. However, our professional standards and legal regulations may require disclosure of certain information in specific circumstances, such as in response to a lawful subpoena or to comply with professional licensing board requirements.

Deliverables

Our deliverables for this engagement will consist of:

- ☐ Written tax analysis and recommendations
- ☐ Tax projections and calculations
- ☐ Verbal consultation and advice (with summary memo)
- ☐ Meeting presentations
- ☐ Other: _____

Timing and Fees

We expect to commence our services upon receipt of this signed engagement letter and any requested initial information. The estimated completion date is _____, assuming timely receipt of necessary information from you.

Our fees for this engagement will be:

- ☐ Fixed Fee: \$_____
- ☐ Hourly Rate: \$_____ per hour for [staff level]
\$_____ per hour for [staff level]
\$_____ per hour for [staff level]
- ☐ Retainer: \$_____ (applied against hourly charges)

☐ Other: _____

Additional services beyond the scope described in this letter will be billed separately. We will notify you before performing any additional services.

Payment is due [upon receipt of our invoice/as follows: _____]. A late charge of ____% per month will be applied to any balance not paid within 30 days of the invoice date.

Term and Termination

This engagement will commence upon our receipt of this signed letter and will continue until the services described above are completed, unless terminated earlier by either party.

Either party may terminate this engagement at any time by providing written notice to the other party. In the event of termination, you will be responsible for fees and expenses incurred through the effective date of termination.

Limitations on Liability

Our liability to you for any and all claims, damages, losses, and costs of any nature arising from this engagement shall not exceed the total fees paid by you to our firm for the services rendered under this engagement letter. This limitation shall not apply to the extent it is determined that we have acted with willful misconduct or fraudulent behavior.

In no event shall either party be liable to the other for any consequential, incidental, special, or punitive damages (including lost profits or savings) even if the party has been advised of the possibility of such damages.

Additional Terms

Electronic Communications: In connection with this engagement, we may communicate with you or others via email. As emails can be intercepted, we cannot guarantee the security of electronic communications. You accept this risk and authorize us to transmit information electronically.

Record Retention: We will return any original documents you provide to us. Our working papers and files are our property and will be retained by us according to our policies. We recommend you maintain your own records of these matters.

Third-Party Service Providers: We may use third-party service providers to assist us in providing these services. We will take reasonable precautions to protect the confidentiality of your information.

Integration with Terms and Conditions

This engagement letter, along with the attached Terms and Conditions Addendum, represents the entire agreement regarding the services described herein and supersedes all prior agreements or understandings (oral or written). No amendment or modification of this engagement letter shall be valid unless in writing and signed by both parties.

Acceptance

If you understand and agree with the terms of our engagement as described in this letter, please sign below and return a copy to us. Your signature constitutes acceptance of these terms and conditions. If we do not receive a signed engagement letter from you, your continued interaction with us will constitute your acceptance of these terms and conditions.

We appreciate the opportunity to be of service to you and look forward to working with you on this engagement.

Sincerely,

[FIRM NAME]

By: _____

[Preparer Name], [Title]

[Firm Name]

[Email]

[Phone]

Accepted By:

Client Signature

Print Name

Date

Title (if applicable)