

Individual Income Tax Preparation

We appreciate the opportunity to work with you. To minimize the possibility of a misunderstanding between us, we are setting forth pertinent information about the services we will perform for you.

We will prepare your 2018 federal and state individual income tax returns from information you furnish us and we may process them with an outside computer service. We will not audit or otherwise verify the data you submit, although we may ask you to clarify some of the information. We will furnish you with organizers upon request to help you gather and organize the necessary information for us, in order to keep our fee to a minimum.

It is your responsibility to maintain, in your records, the documentation necessary to support the data used in preparing your tax returns, including but not limited to the auto, travel, entertainment, and related expenses and the required documents to support charitable contributions. If you have any questions as to the type of records required, please ask us for advice in that regard. It is also your responsibility to carefully examine and approve your completed tax returns. We are not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties, and interest.

Taxing authorities now require us to electronically file all federal and state individual income tax returns. However, you do have the right to "opt out" of the e-filing program. Please notify our firm immediately should you desire not to have your return e-filed, so that we may provide you with the form(s) necessary for opting out of the e-file program.

Although e-filing requires both you and our firm to complete additional steps, the same filing deadlines will apply. You must therefore ensure that you complete the additional requirements well before the due dates in order for our firm to be able to timely transmit your return. We will provide you with a paper copy of the income tax returns for your review prior to electronic transmission. After you have reviewed the returns, you must provide us with a signed authorization indicating that you have reviewed the return and that, to the best of your knowledge, you feel it is correct. We cannot transmit the returns to the taxing authorities until we have the signed authorization. Therefore, if you have not provided our firm with your signed authorization by April 15, 2019, we will place your return on extension, even though it might already have been completed. In that event, you will be responsible for ensuring that any payment due with the extension is timely sent to the appropriate taxing authorities. You will also be responsible for any additional costs our firm incurs arising from the extension preparation. Please note that although our firm will use our best efforts to ensure that your returns are successfully transmitted to the appropriate taxing authorities, we will not be financially responsible for electronic transmission or other errors arising after your return has been successfully submitted from our office.

We are responsible for preparing only the returns listed above. Our fee does not include responding to inquiries or examination by taxing authorities. However, we are available to represent you. Our fees for such services are at our standard rates and would be covered under a separate engagement letter.

We will use our judgment to resolve questions in your favor where a tax law is unclear if there is a reasonable justification for doing so. Whenever we are aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts), we will explain the possible positions that may be taken on your return. In accordance with our professional standards, we will follow whatever position you request, as long as it is consistent with the codes, regulations, and interpretations that have been promulgated. If the IRS should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. Currently, the IRS and state taxing agencies are aggressive in assessing penalties. We assume no liability for any such additional penalties or assessments. In the event, however, that you ask us to take a tax position that in our professional judgment will not meet the applicable laws and standards as promulgated, we reserve the right to stop work and shall not be liable for any damages that occur as a result of ceasing to render services.

If we are asked to disclose any privileged communication, unless we are required to disclose the communication by law, we will not provide such disclosure until you have had an opportunity to argue that the communication is privileged. You agree to pay any and all reasonable expenses that we incur, including legal fees, that are a result of attempts to protect any communication as privileged.

The Affordable Care Act (ACA) added various new health insurance mandates, penalties, and credits beginning in 2014. Our services in connection with this engagement are not designed to address the legal or regulatory aspects of your compliance with the Affordable Care Act. In preparing your individual tax returns, we will rely solely on the information you provide us regarding the ACA mandates and you agree to accept full responsibility for the accuracy and completeness of this information, as well as your compliance with the ACA. As such, we will not be responsible for any taxes, penalties, or interest that may be assessed.

It is our policy to keep records related to this engagement for 7 years. However, Carefree Accounting, P.C. does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

By your signature below, you acknowledge and agree that upon the expiration of the 7 year period, Carefree Accounting, P.C. shall be free to destroy our records related to this engagement.

If any dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation under its applicable rules for resolving professional accounting and related services disputes before resorting to litigation. Costs of any mediation proceeding shall be shared equally by all parties.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the applicable rules for resolving professional accounting and related services disputes, except that under all circumstances the arbitrator must follow the laws of Colorado. Such arbitration shall be binding and final. IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT, IN THE EVENT OF A DISPUTE OVER FEES CHARGED BY THE ACCOUNTANT, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION. The prevailing party shall be entitled to an award of reasonable attorneys' fees and costs incurred in connection with the arbitration of the dispute in an amount to be determined by the arbitrator.

If the above fairly sets forth your understanding, please sign the enclosed copy of this letter and return it to us. Please note that you are affirming to Carefree Accounting, P.C. your understanding of, and agreement to, the terms and conditions of this engagement letter.

We appreciate your confidence in us. Please call 719-390-7009 if you have questions.

Sincerely,

Carol Flathers
Carefree Accounting, P.C.

(Both spouses must sign for preparation of joint returns.)

Accepted By:

Taxpayer

Date

Spouse

Date

Driver's License Information

For identity verification and security purposes, please fill out the following information for your driver's license.

Taxpayer DL # _____ State: _____ Expiration: _____ Issued: _____

Spouse DL# _____ State: _____ Expiration: _____ Issued: _____

How did you hear about us??

() online _____

() roadside sign

() friend-if so, who? _____

() other _____

Use Tax Law

Consumer use tax is a complement to state sales tax. Consumer use tax is payable to the state when sales tax is due but has not been collected. Individuals and businesses may be required to pay sales or use tax on tangible personal property purchased from out-of-state and online vendors if the item is delivered to your state of residence for use, storage, distribution, or consumption. This use tax is to be collected on your 2018 state return.

Have you purchased anything online or out of state that did not charge sales tax in 2018?

Yes. My total amount of purchases in 2018 had no sales tax collected was

No, I did not purchase any items online or out of state that I/we did not pay sales tax on.

I certify that the above information is correct and Carefree Accounting, P.C. is not liable for any miscalculations or omissions of the above information.

Taxpayer

Date

Spouse

Date

2018 Tax Organizer Personal and Dependent Information

Personal Information

Name		SSN	Date of birth	Healthcare coverage ALL year
Taxpayer				
Spouse				
Street address, city, state, and ZIP				
Occupation				
		Daytime phone	Evening phone	Cell phone
Taxpayer				
Spouse				
Taxpayer email				
Spouse email				

Marital Status at end of 2018

<input type="checkbox"/> Married <input type="checkbox"/> Married filing separately <input type="checkbox"/> Single <input type="checkbox"/> Widow(er) <small>If spouse died in 2018 enter the date of death _____</small>	Are you blind? <input type="checkbox"/> Yes <input type="checkbox"/> No Are you disabled? <input type="checkbox"/> Yes <input type="checkbox"/> No Are you a full-time student? <input type="checkbox"/> Yes <input type="checkbox"/> No Do you want \$3 to go to the Presidential Election Campaign Fund? <input type="checkbox"/> Yes <input type="checkbox"/> No	Taxpayer <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No	Spouse <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No
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Dependent Information

First and last name	SSN	Relationship	Months in home	Date of birth	Disabled	Full-time student	Healthcare coverage ALL year

List dependents required to file a return _____

Estimates

	Federal		Resident state		Resident city	
	Date paid	Amount	Date paid	Amount	Date paid	Amount
Overpayment applied from 2017						
First quarter						
Second quarter						
Third quarter						
Fourth quarter						
Additional payments						

Account Information for Deposits or Withdrawals

Name of bank	Bank routing number	Bank account number	Type of account		Use this account for	
			Checking	Savings	Deposits	Withdrawals

Appointment Information

Your 2018 appointment is scheduled for _____

Other Income and Adjustments

Name: _____

SSN: _____

Other Income

	2018 Taxpayer	2018 Spouse
Scholarships or grants not reported on Form W-2	_____	_____
State income tax refund (attach Forms 1099-G)	_____	_____
Social Security Benefits (attach Forms 1099-SSA)	_____	_____
Railroad Retirement Benefits (attach Forms 1099-RRB)	_____	_____
Alimony received	_____	_____
Unemployment compensation (attach Forms 1099-G)	_____	_____
Unemployment compensation repaid in 2018	_____	_____
Gambling winnings (attach Forms W2-G)	_____	_____
Alaska Permanent Fund	_____	_____
ABLE distributions	_____	_____
Other income: _____	_____	_____
_____	_____	_____
_____	_____	_____

Adjustments

	2018 Taxpayer	2018 Spouse
Educator expenses (If you are an educator, enter the amount you paid for classroom supplies)	_____	_____
Contributions made to a Health Savings Account (HSA)	_____	_____
Contributions made to a Self-Employed Pension plan (SEP)	_____	_____
Payments made for Self-Employed Health Insurance for you, your spouse, or dependents	_____	_____
Alimony paid	_____	_____
Name: _____ SSN: _____		
Name: _____ SSN: _____		
Contributions made to an Individual Retirement Account (IRA)	_____	_____
Contributions made to a Roth IRA	_____	_____
Contributions made to a myRA	_____	_____
Interest paid on a student loan	_____	_____
Other adjustments: _____	_____	_____

Job-related Moving Expenses

Select this box and complete the fields below if you are member of the Armed Forces on active duty, and moved due to a military order for a permanent change of station.

	2018
Number of miles from old home to old workplace	_____
Number of miles from old home to new workplace	_____
Expense to move household goods & personal effects and lodging expenses while traveling to your new home. (Do not include cost of meals)	_____

Miscellaneous Information

Name:

SSN:

Personal Information

Yes No

 Did your marital status change during the year?

If "Yes," explain _____

 Can you or your spouse be claimed as a dependent by someone else? Did your address change during the year?

Provide proof of identity to be eligible to e-file your tax return (driver's license or state-issued photo ID)

Dependent Information

 Did you have any changes in dependents during the year?

If "Yes," explain _____

 Can another person qualify to claim any of your dependents? Did you have any childcare expenses during the year? Did you have any adoption expenses during the year? Did you have any children under age 19 or a full-time student under age 24 with more than \$2100 of unearned income?

Provide documentation for proof of dependent related credits (school records, medical records, daycare records, etc.)

Health Care Information

 Did any member of your household NOT have healthcare coverage for the entire year?

Provide copies of all Forms 1095-A, 1095-B, 1095-C for ALL members of your household.

If any member of your household received an exemption from the marketplace, provide the Exemption Certificate Number (ECN).

 Did you receive any distributions from a Health Savings Account (HSA), Archer MSA, or Medicare Advantage MSA during the year?

Income, Purchases, Sales, and Debt Information

 Did you receive any tips not reported to your employer? Did you receive any disability income during the year? Did you cash any U.S. savings bonds during the year? Did you receive any other income not provided with this organizer?

If "Yes," explain _____

 Did you start a new business or purchase any rental property during the year? Did you sell an existing business, rental property, or other property during the year? Did you purchase any business assets or convert any assets to business use?

If "Yes," provide the cost of the asset, the date it was placed in service, and business use percentage.

 Did you purchase any gasoline, diesel, or special fuels for non-highway business use? Did you buy or sell any stocks, bonds, or other investments during the year? Did you sell a principal residence during the year?

If "Yes," provide closing documentation for the purchase and sale of the home

 Did you have a principal residence or a piece of real property foreclosed on during the year? Did you abandon a principal residence or a piece of real property during the year? Did you refinance your principal home or second home or take out a home equity loan during the year?

If "Yes," provide all escrow, closing, and other pertinent documentation and information.

 Did you receive any principal or interest during this year from property sold in prior years? Did you rent out your home or use it for business? Did you sell, exchange, or purchase any real estate during the year? Did you acquire a new or additional interest in a partnership or S corporation? Did you have any debts canceled or forgiven this year? Does anyone owe you money that has become uncollectible? Did you purchase a new hybrid, alternative motor, or electric motor energy-efficient vehicle during the year?

If "Yes," provide the year, make, model, VIN, and date the vehicle was placed in service.

Itemized Deduction Information

 Did you pay out-of-pocket medical or dental expenses (premiums, prescriptions, mileage, etc.) during the year? Did you pay any long-term care premiums for yourself, your spouse, or a dependent during the year? Did you receive any state or local income tax refunds from prior years? Did you make any major purchases (vehicle, boat, etc.) during the year? Did you pay any real estate property taxes or personal taxes during the year? Did you pay mortgage interest during the year?

Miscellaneous Information

Name:

SSN:

Itemized Deduction Information (continued)

Yes No

- Did you make cash donations to charity during the year?
- Did you make noncash donations to charity (clothes, furniture, etc.) during the year?
- Did you donate a boat or vehicle during the year?
If "Yes," attach Form 1098-C.
- Did you have gambling winnings or losses during the year?
- Did you have any job-related expenses that were not reimbursed by your employer (uniforms, safety equipment, etc.)?
- Did you use your vehicle on the job other than for commuting to work?
- Did you work out of town at any time during the year?

Retirement Information

- Did you receive any payments from a pension, profit sharing, or 401(k) plan during the year?
- Did you make any withdrawals from or contributions to an IRA, Roth, Keogh, SIMPLE, SEP, 401(k), myRA, or other qualified retirement plan during the year?
- Did you receive any Social Security benefits during the year?

Education Information

- Did you pay tuition expenses that were required for attending college, university, or vocational school for yourself, your spouse, or a dependent during the year (even if classes were attended in another year)?
- Did anyone in your household attend a post-secondary school during the year?
- Did you make a contribution to or receive a distribution from an Education Savings Account or Qualified Tuition Program during the year?
- Did you pay student loan interest for yourself, your spouse, or your dependent(s) during the year?

Miscellaneous Information

- Did you incur a gain or loss due to damaged or stolen property?
If "Yes," provide the incident date, value of the property, and amount of insurance reimbursements.
- Did you pay wages to any household employees (babysitter, nanny, housekeeper, etc.)?
- Did you make gifts to any one person in excess of \$15,000 during the year?
If "Yes," are you splitting the gift with your spouse? _____
- Did you incur moving expenses during the year? _____
- Did you make any energy-efficient improvements to your main home during the year?
- Are you a business owner who paid health insurance premiums for your employees during the year?
- Did you apply an overpayment of your 2017 taxes to your 2018 estimated taxes?
- If you have an overpayment of 2018 taxes, do you want the refund applied to your 2019 estimated taxes?
- Did you make any estimated payments toward your 2018 taxes?
- Do you want to have any refund or balance due directly deposited or withdrawn?
If "Yes," provide a canceled checking or savings slip.
- Did you receive any notices from the IRS or state taxing authority?
If "Yes," explain _____
- May the IRS discuss your tax return with your preparer? _____
- Would you like a copy of your tax return emailed to you instead of receiving a printed copy?

Foreign Account Information

- Did you have a financial interest in or signature authority over a financial account or asset located in a foreign country?
- Did you receive a distribution from, or were you a grantor of, or transferor to, a foreign trust?
- Did you have any income from, or pay taxes to, a foreign country?
- Did you own property in a foreign country?
- Did the aggregate value of your foreign accounts exceed \$10,000 at any time during the year?

Preparer Notes

Miscellaneous Notes

Other Information

Name: _____

SSN: _____

Child and Other Dependent Care Expenses

Name of care provider	Address	SSN or EIN	Amount paid

Education Expenses

Provide all copies of Form 1098-T

Student name _____

Student name _____

Type of expense	Amount	Type of expense	Amount

Student name _____

Student name _____

Type of expense	Amount	Type of expense	Amount

Student name _____

Student name _____

Type of expense	Amount	Type of expense	Amount

Schedule A - Itemized Deductions

Name: _____

SSN: _____

Medical and Dental Expenses

Health insurance premiums (paid by you) _____

Long-term care premiums (you) _____

Long-term care premiums (your spouse) _____

Long-term care premiums (dependents) _____

Mileage driven for medical purposes _____

Medical and dental expenses

 Doctor, dental, etc _____

 Prescription medicines _____

 Insulin _____

 Glasses and contacts _____

 Hearing aids _____

 Braces _____

 Medical equipment & supplies _____

 Hospital services _____

 Laboratory services _____

 Nursing services _____

 Other _____

Charitable Contributions

Donations to charity	Cash	Noncash	Amount
Church	<input type="checkbox"/>	<input type="checkbox"/>	_____
Boy or Girl Scouts	<input type="checkbox"/>	<input type="checkbox"/>	_____
Goodwill	<input type="checkbox"/>	<input type="checkbox"/>	_____
Red Cross	<input type="checkbox"/>	<input type="checkbox"/>	_____
Salvation Army	<input type="checkbox"/>	<input type="checkbox"/>	_____
United Way	<input type="checkbox"/>	<input type="checkbox"/>	_____
Veterans	<input type="checkbox"/>	<input type="checkbox"/>	_____
Hospital	<input type="checkbox"/>	<input type="checkbox"/>	_____
University	<input type="checkbox"/>	<input type="checkbox"/>	_____
Other	<input type="checkbox"/>	<input type="checkbox"/>	_____

Miles driven for charitable purposes _____

Other Miscellaneous Deductions

Amortizable bond premiums _____

Federal estate tax _____

Gambling losses _____

Impairment-related work expenses _____

Claim repayments _____

Unrecovered pension investments _____

Loss from other activities from Schedule K-1 _____

Ordinary loss debt instrument _____

Job Expenses & Certain Miscellaneous Deductions

Necessary job expenses you paid that were not reimbursed by your employer

 Safety equipment, tools, & supplies _____

 Uniforms _____

 Protective clothing (shoes, hardhats, glasses, etc.) _____

 Dues to professional organizations _____

 Books & subscriptions _____

 Other _____

Tax preparation fees _____

Other nonpersonal expenses related to taxable income

 Safe deposit box fees _____

 Investment expenses not entered elsewhere _____

 Other _____

Taxes Paid

State and local income taxes _____

Sales tax _____

Real estate taxes _____

Personal property taxes _____

Other taxes (list) _____

Interest Paid

Mortgage interest paid (attach Form 1098) _____

Some of your home mortgage loan was not used to buy, build, or improve your home

Mortgage interest paid to an individual _____

Paid to:

 Name _____

 Address _____

 City, State, ZIP _____

 SSN or EIN _____

Qualified mortgage insurance premiums _____

Investment interest _____

Schedule C - Profit or Loss from Business

Name: _____

SSN: _____

General Business Information

Business name _____ Employer ID number _____

Professional product or service _____

Business address, city, state, ZIP _____

- This business started or was acquired during 2018 Yes No Payments of \$600 or more were paid to an individual who is not your employee for services provided for this business
- This business was disposed of during 2018 Yes No You filed Form(s) 1099 for the individual(s)

Income

	2018	2018
Gross receipts or sales	_____	Other income
Income from Form 1099-MISC	_____	_____
Returns & allowances	_____	_____

Expenses

	2018		2018
Advertising	_____	Travel	_____
Car & truck expenses	_____	Total meals	_____
Commissions & fees	_____	Utilities	_____
Contract labor	_____	Wages	_____
Depletion	_____	Other expenses (list)	_____
Employee benefit programs	_____	_____	_____
Insurance (other than health)	_____	_____	_____
Interest - mortgage	_____	_____	_____
Interest - other	_____	_____	_____
Legal & professional services	_____	_____	_____
Office expenses	_____	_____	_____
Pension & profit sharing plans	_____	_____	_____
Rent or lease (vehicles, machinery, & equipment)	_____	_____	_____
Rent (other business property)	_____	_____	_____
Repairs & maintenance	_____	_____	_____
Supplies	_____	_____	_____
Taxes & licenses	_____	_____	_____

Cost of Goods Sold

	2018		2018
Inventory at beginning of year	_____	Materials & supplies	_____
Purchases	_____	Other costs	_____
Cost of personal use items	_____	Inventory at end of year	_____
Cost of labor	_____	<input type="checkbox"/> There was a change in inventory method	

Expenses Related to Business

Name: _____

SSN: _____

Auto Expense

Name of business vehicle is used for _____

Description of vehicle _____ Date vehicle was placed in service _____

- | | |
|--|--|
| <input type="checkbox"/> Another vehicle is available for personal use
<input type="checkbox"/> This vehicle is available for use during off-duty hours | <input type="checkbox"/> There is evidence to support your deduction
<input type="checkbox"/> The evidence is written |
|--|--|

Number of miles the vehicle was driven during 2018
 Business _____ Commuting _____ Total _____

Garage rent	Property tax
Gas	Repairs
Insurance	Tires
Licenses	Tolls
Oil	Other expenses _____
Parking fees	_____
Lease payments	_____
Interest	_____

Business Use of Home

Name of business home is used for _____

What is the total square footage of your home that was used regularly and exclusively for business? _____

What is the total square footage of your home? _____

For daycare facilities not used exclusively for business, complete the following questions

How many days during the year was the area used? _____

How many hours per day was the area used? _____

The daycare facility was in operation for the entire year

Expenses	Office expenses	Home expenses
Mortgage interest	_____	_____
Real estate taxes	_____	_____
Excess mortgage interest	_____	_____
Insurance	_____	_____
Rent	_____	_____
Repairs & maintenance	_____	_____
Utilities	_____	_____
Other expenses	_____	_____

In the "Office expenses" column, enter those expenses that pertain exclusively to your office; in the "Home expenses" column, enter those expenses that pertain to the entire dwelling.