GOMES, DaCRUZ & TRACY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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MEMBERS:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
MA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

MARIA F. GOMES, MBA, CPA
MARK A. GERMAIN, CPA, CITP
DAVID J. MANTONI, CPA

January 17, 2023

Dear Client,

The year 2022 was an eventful year for Gomes DaCruz & Tracy, PC. As we look forward, the future appears to be foggy. During 2022, many businesses returned to normal operations after the pandemic. The government provided many programs to prop up a downturn in the economy while we saw inflation hit record highs.

Tax law changes were held to a minimum. Many changes are for 2023 and beyond.

What's new for 2022:

- Child tax credits revert back to $2,000 per qualifying child
- Earned Income Tax Credits for taxpayers with no children have been reduced
- Child and Dependent Care maximum credits in 2021 of $8,000 are reduced to $2,100
- No above-the-line charitable deduction for those taking the standard deduction
- More people may be eligible for the Premium Tax Credit related to health insurance

Inflation Reduction Act:

- Credits and deductions for clean and efficient energy, vehicles and homes
- Most impact 2023 and beyond as this is a 10-year plan

Consolidated Appropriations Act:

- Aimed at expanding and increasing retirement savings as well as a limiting the tax deduction for charitable contributions of conservation easements in certain situations. It also includes a tax provision relating to health savings accounts and tele-health.

- The bill does not include measures to extend various expired and expiring tax preference provisions or to suspend scheduled tax changes provided in the legislation commonly called the "Tax Cuts and Jobs Act."

We have seen many changes in personnel over the past few years also. Kristin Beggs and Dorothy Kochanek have been the face of our front offices for many years, and both have moved away from the front desk to help with our back office with a variety of tasks. You will now be greeted by Debbie Ryals in Ludlow and Donna Boucher (who was with us last year) in Wilbraham. Michaela Dias and Carla Rourke head up our payroll department now, along with the assistance of Sue Mantoni who also does bookkeeping and taxes.

But we are not done, Linda Syniec, CPA was hired as our new Tax Manager in charge of handling many of our personal tax returns. Linda comes to us with close to thirty years of experience in public accounting. David and I will oversee the operations but will delegate some personal return relationships to Linda as she works through this first year.

Renee Olszewski passed her CPA exam in September 2022! Renee leads our tax preparers who include Lynn Laino, Elizabeth Barrett, and Thomas Dufour. We have a couple rotating seasonal part-time workers and of course Maria Gomes, CPA and Elaine Korhonen, CPA who are still helping during busy season.

We continue to strive on client relationships and are always working to improve our services. If you have any questions or concerns please contact on of our team members.

Attached you will find our annual engagement letter for your personal income tax filing along with the 2022 tax questionnaire. Please take the time to review these documents and sign and return them to our office.

Tax season office hours are 8am - 5pm Monday through Friday and 9am - 4pm Saturday. We continue to push our paperless features and are encouraging clients to deliver and accept electronic copies of documents instead of paper. If the portal copy of your return is sufficient and you do not require a paper copy, please let us know on the attached checklist.

The filing deadline for individual tax returns is Monday, April 17, 2023, except for residents of Maine and Massachusetts for which the due date is Tuesday, April 18, 2023. To meet this filing deadline, the information needed to complete your return should be received by us **no later than April 1, 2023**. Returns received after this date will be extended. If an extension of the time is required, any tax that may be due with the return must be paid with the extension.

Sincerely,

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January 17, 2023

Dear Client,

This letter is to confirm and specify the terms of our engagement with you for the year ended December 31, 2022 and to clarify the nature and extent of the tax services we will provide. In order to ensure an understanding of our mutual responsibilities, we ask that all clients for whom returns are prepared to confirm the following arrangements.

We will prepare your individual federal and state income tax returns for the calendar year 2022. We are under no duty to review the information you provide to determine whether you may have a filing obligation with another state other than your state of residence or state of employment. If we become aware of any other filing requirement, we will tell you of the obligation and may prepare the appropriate returns at your request.

It is your responsibility to provide complete and accurate information required for the preparation of complete and accurate returns. You should retain all the documents, canceled checks, and other data that form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. **You have the final responsibility for the income tax return and, therefore, you should review them carefully before you sign them.**

We have provided you with a questionnaire requesting specific information. Completing this form will assist us in making sure you are well served for a reasonable fee. You represent that the information you are supplying to us is accurate and complete to the best of your knowledge and that you have disclosed to us all relevant facts affecting the returns. This will include the ownership of or signature authority over any foreign bank accounts and the ownership of any other foreign financial assets. We will not verify the information you give us however; we may ask for additional clarification on some information.

You should also know that IRS audit procedures will almost always include questions on bartering transactions and on deductions that require strict documentation such as travel and entertainment expenses and expenses for business usage of autos. In preparing your returns, we rely on your representations that we have been informed of all crypto-currency and bartering transactions, and that you understand and have complied with the documentation requirements for your expenses and deductions. If you have any questions about these issues, please contact us.

If, during our work, we discover information that affects prior-year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue. We will be happy to prepare appropriate amended returns as a separate engagement.

Our work in connection with the preparation of the tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist. The returns will be prepared solely from information provided to us without verification by us.

In no case will we disclose your tax return information to any location outside the United States, to another tax return preparer outside of our firm, or to any other third party for any purpose without first receiving your consent.

The Internal Revenue Code and regulations impose preparation and disclosure standards with non-compliance penalties on both the preparer of the tax return and the taxpayer. To avoid exposure to these penalties, it may be necessary in some cases to make certain disclosures to you and/or in the tax return concerning positions taken on the return that don't meet these standards. Accordingly, we will discuss tax positions that may increase the risk of exposure to penalties and any recommended disclosures with you before completing the preparation of the return. If we conclude that we are obligated to disclose a position and you refuse to permit the disclosure, we reserve the right to withdraw from the engagement and you agree to compensate us for our services to the date of withdrawal. Our engagement with you will terminate upon our withdrawal.

You have final responsibility for the accuracy of your tax returns. We will provide you with a copy of your electronic tax returns and accompanying schedules and statements for review prior to filing with the IRS, state and local tax authorities, as applicable. You agree to review and examine them carefully for accuracy and completeness.

You will be required to verify and sign a completed Form 8879, *IRS e-file Signature Authorization*, and any similar state and local equivalent authorization form before your returns can be filed electronically.

The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return's due date. Your consent to such a discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss your return with us.

It is our policy to keep records related to this engagement for **seven years**. However, we do not keep any of your original records, so we will return those to you upon the completion of the engagement. When records are returned to you, it is your responsibility to retain and protect records for possible future use, including potential examination by governmental or regulatory agencies.

By signing this engagement letter, you acknowledge and agree that upon expiration of the seven-year period, we are free to destroy our records related to this engagement.

The returns may be selected for review by taxing authorities. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on a tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of a tax examination, we will be available, upon request, to represent you. However, such additional services are not included in the fees for the preparation of the tax returns.

Our fees for this engagement are not contingent on the results of our services. Rather, our fees for this engagement, including tax planning, are based on time required, complexity of the return, plus any out-of-pocket expenses, at our standard hourly rates. Our fees are payable and due upon presentation of your tax filings.

Our services will conclude upon the earlier of (1) the filing and acceptance of your 2022 tax return (2) written notification by either party that the engagement is terminated or (3) one year from the execution of this agreement.

You authorize the use of e-mail and other electronic methods to transmit and receive information, including confidential information. You acknowledge that e-mail travels over the public Internet which is not a secure means of communication. Information transmitted via electronic methods could be compromised through no fault of Gomes, DaCruz & Tracy, P.C. We will utilize reasonable methods and precautions to protect the privacy and confidentiality of transmitted information. **Please be aware that we offer secure and convenient portal access for our clients. If you have not yet accessed your portal, please call the office for instructions.**

We have the right to withdraw from this engagement, in our discretion, if you do not provide us with any information we request in a timely manner, refuse to cooperate with our reasonable requests or misrepresent any facts. Our withdrawal will release us from any obligation to complete your return and will constitute completion of our engagement. You agree to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

If the services and terms outlined above are in accordance with your understanding, please sign on the next page designated for your signature (signed by both taxpayer and spouse if joint return) and return the original of this executed letter along with the enclosed questionnaire to this office.

Sincerely,

GOMES, DACRUZ & TRACY, P.C.

PLEASE SIGN AND RETURN WITH THE QUESTIONNAIRE CONTINUED ON THE BACK

ACCEPTED AND AGREED:

Taxpayer

SIGNATURE	CELL / HOME **(Circle one)**
PRINT NAME	E-MAIL

Spouse

SIGNATURE	CELL / HOME **(Circle one)**
PRINT NAME	E-MAIL

Location Preference: Ludlow / Wilbraham **(Circle one)**

1040 Questions For 2022

Please check the appropriate box and include all necessary details and documentation.

	Yes	No
Personal Information		
Do you want a paper copy of your tax return?	☐	☐
Did you retire or change jobs this year?	☐	☐
Did you have a change in marital status during the year? Please explain.	☐	☐
Did your address change from last year?	☐	☐
Do you want direct deposit? Either write in the account and routing number or enclose a voided check.	☐	☐
Did you receive an Identity Protection PIN to use on your tax filing? If so, please enclose.	☐	☐
May the IRS discuss your tax return with your preparer?	☐	☐
Were you notified or audited by the IRS or state taxing agency? Provide details.	☐	☐
Dependents		
Do you have children under age 18 or full-time students under age 23 with unearned income in excess of $2,300?	☐	☐
Did you provide over one half of the support for any other person other than your dependent children during the year? (Parent or other)	☐	☐
Did you pay for childcare while you worked or looked for work?	☐	☐
Did you and your dependents have health care coverage for the full year?	☐	☐

- CONTINUED ON NEXT PAGE -

1040 Questions For 2022, continued

Please check the appropriate box and include all necessary details and documentation.

	Yes	No
Income Information		
Did you sell an existing business, rental, or other property this year?	☐	☐
Did you have any debts canceled or forgiven this year?	☐	☐
Did you have any foreign income or pay any foreign taxes during the year?	☐	☐
Did you have any gambling or lottery winnings?	☐	☐
Did you buy or sell virtual currency during the year? If so, provide details.	☐	☐
Did you make any withdrawals from an IRA, 401K, or other qualified retirement plan?	☐	☐
Did you receive any Social Security, disability, or unemployment income this year?	☐	☐
Dates unemployed (if applicable): ______________________________________		
Deduction Information		
Did you refinance or take out a home equity loan this year?	☐	☐
Did you make any energy efficient home improvements to your main home this year?	☐	☐
Did you purchase a qualified plug-in electric drive or fuel cell vehicle this year?	☐	☐
Did you pay out-of-pocket medical expenses?	☐	☐
Did you pay any tuition or student loan interest this year?	☐	☐
Do you have evidence to substantiate charitable contributions?	☐	☐
Did you make contributions to a Health Savings Account (HSA) this year?	☐	☐
Miscellaneous Information		
Did you make gifts of more than $16,000 to any individual?	☐	☐
Did you make any contributions to or distributions from a 529 plan?	☐	☐
Did you make any out-of-state purchases (by telephone, internet, mail, in person) that the seller did not collect state sales or use tax?	☐	☐
Did you have any interest in or signature authority over a bank, securities, or other financial account in a foreign country?	☐	☐
If you receive any stimulus loans or credits during 2022 please provide details	☐	☐

Business Use of Personal Automobile (if not provided with your business return)

Do you have business use for your personal automobile?

Jan – June / July - Dec

Total miles __________________________ (business and personal)
Business miles _________________________ (do not include commuting to and from work)

Estimated Taxes Paid:

Due Date	Date Paid	Federal	State
April 18, 2022			
June 15, 2022			
September 15, 2022			
January 17, 2023			
Other			