

Correspondence & Audit Protection Service Agreement

You can rest easily knowing Zelano and Associates CPA Inc is there to help in the event of an audit. We will provide you full service; from outlining what to expect, providing guidance on how to prepare for an audit, and finally, representation at the audit. This service is effective when signed, paid for and is non-transferrable to another. Upon receiving the retainer fee for enrollment in the Correspondence & Audit Protection Service, we provide the following benefits with respect to your individual federal and any Rhode Island, Massachusetts or Connecticut state tax return(s) prepared by us for the years paid.

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| 1. If IRS audits you | <u>We will Represent you FOR FREE</u> |
| 2. If RI, CT or MA audits you | <u>We will Represent you FOR FREE</u> |
| 3. If you get a Notice from the IRS | <u>We Respond till solved FOR FREE</u> |
| 4. If you get a Notice from any state | <u>We Respond till solved FOR FREE</u> |
| 5. We use IRS Form 2848 to help | <u>Discover Identity Theft quicker</u> |
| 6. We establish a direct link with the IRS | <u>We get IRS Notices when you don't</u> |
| 7. We will keep copies of your records | <u>Storage & extra copies FOR FREE</u> |
| 8. If you need any covered return amended | <u>We will do the amended FOR FREE</u> |

While we do ensure the accuracy of your return based upon information provided by you, if you incur penalties and/or interest due to our error, we cover them, guaranteed. You are responsible for payment of the additional taxes to the appropriate taxing authority. Note that if the change is not a result of an error made by us, you will be responsible for the tax and any associated interest and/or penalties assessed.

In order to take advantage of the Correspondence & Audit Protection Service (CAPS) you must:

- (a) Call us with any government notice regarding such taxes within 14 days from the date of such notice.
- (b) Provide us with copies of such notices and other relevant and or substantiating documents necessary that we reasonably request. If necessary, documentation is missing, any costs, time or effort incurred to acquire such documents is the sole responsibility of the taxpayer and not our Firm.
- (c) Provide us with reasonable notice of time and allow us to attend the audit as your representative with Power of Attorney and cooperate with us without limitation.
- (d) Allow us, at our sole discretion and expense, to challenge the determination that additional taxes, penalties and interest are owed.
- (e) Allow us to correct tax returns within 30 days after you have learned of a mistake or for which errors have been identified by us prior to an assessment of additional taxes by tax authorities.

This service applies only to filed, accepted tax returns prepared by us for the year(s) in which our tax preparation and CAPS fee was purchased, and timely paid in full. It is not extended to any other tax year(s) or previously filed returns. Your return was prepared based on information provided by and deemed true and accurate by you, the taxpayer.

This service **does not apply to** or when the following conditions exist:

1. Paying the retainer fee for the CAPS does not guarantee a favorable outcome or decision by the IRS. We do not provide and are not a substitute for legal advice or representation.
2. Amended tax returns; 1040-NR; FinCen 114, tax court proceedings and the appeals process do not qualify. Offers in compromise and installment agreements, not, generated by an audit do not qualify.
3. This service is only for individual returns, all non-individual returns (not a full list) such as employment, trust, corporate, state, and local small business, occupation tax, partnership, estate, and gift tax returns do not qualify.
4. Any returns not filed in conjunction with a federal or state return used to file for tax credits or rebates such as property tax, homestead or renters' credits do not qualify.

5. The calculation of estimated tax payment vouchers and/or additional taxes owed because of an erroneous refund of your estimated tax payments by the IRS or state taxing authority do not qualify.
6. Any returns for which you have received any notification from any tax authority of examination or audit on or before the date you purchase this service do not qualify.
7. Additional taxes, penalties and interest that are assessed as the result of (i) incorrect, incomplete, false or misleading information that you knowingly or unknowingly provided us in connection with its preparation of a return; (ii) the government's inability to obtain from you sufficient records to support deductions, credits and other items on your return; (iii) your failure to timely pay the taxes as shown to be due on your return; (iv) claiming an improper or unsupported deduction, a failure to report income, (v) your failure to provide all necessary information to us in a reasonable period of time, or any other reason outside the control of The Firms; and (vi) additional taxes assessed as the result of your desire to take a position on your return that challenges current IRS or judicial tax law guidelines or interpretation and returns containing items or issues previously or currently banned by the IRS do not qualify.
8. Criminal investigations or audits that become subject to IRS or other criminal investigations do not qualify.
9. Notices or assessments of additional taxes that occur after three (3) years from the filing deadline for the return, not including extensions do not qualify.
10. You fail to take an action reasonably requested by us, including if necessary, filing amended tax return(s), to limit further penalties and interest from accruing do not qualify.
11. If the penalty was for a return filed late. We will not pay interest from April 15th of the year your tax return was due, to the date you actually filed your return. These penalties & interest do not qualify.
12. If necessary, you must accurately disclose the nature & value of your assets, liabilities, income & expenses. If any of these are materially over or understated, any agreement entered with any taxing authority may become invalidated.

The Correspondence & Audit Protection Service is not an insurance policy and Zelano & Associates CPA Inc., is not an insurance company and does not operate under the guidelines of any state or federal insurance regulations.

You may be required to include such payment by us as income on your return. If so, you will receive Form 1099 from us. We are not responsible for any taxes due as a result of such payment. In the event you receive a refund of any assessment that we paid you or on your behalf, you must reimburse us the amount of such refund. We will reduce any payments due on your behalf by any outstanding balance (including interest) due us, and by any refunds plus interest paid or anticipated because of these changes. If you are not audited or contacted by a taxing agency, the retainer fee is not refundable.

You agree that as a condition of the CAPS that you will stay current for the next 36 months for all tax liabilities as they become due. Failure to stay current with any and all tax liabilities will be cause for termination of this agreement, as it may significantly affect The Firms ability to represent you. As a result of any substantial non-compliance or delinquency the IRS or state taxing authority may reject resolutions.

In no event will we reimburse you for more than an aggregate of six thousand dollars (\$6,000) in interest and penalties owed to the IRS, state or government revenue authorities based upon all tax returns filed or unfiled for the tax year(s) covered by this agreement, regardless of whether the tax returns are federal, state or local. **THIS PARAGRAPH STATES THE FIRMS ENTIRE OBLIGATION AND LIABILITY. IT IS AGREED THAT THIS DOCUMENT CONTAINS YOUR SOLE AND EXCLUSIVE REMEDY FOR ANY CHANGES IN YOUR RETURN(S) CAUSED BY US.**

No signature is necessary to take advantage of our service. Upon receipt of your payment for the CAPS you understand and voluntarily agree to the terms, conditions & disclosures presented in this Agreement, including the requirement that any dispute between you and The Firms be settled through binding arbitration. You may opt-out of this binding arbitration provision.

I/we opt-out of the Arbitration Agreement (sign & date) _____