

Dear Client:

Enclosed is your questionnaire for your personal income tax return(s). Enter your tax information in the areas provided on the questionnaire. **Refer to the checklist included with this letter to help remind you of other deductible items.**

If you have any questions, please note them within the questionnaire, so we can discuss them with you when your tax return is prepared. ***PLEASE LIST TELEPHONE NUMBERS & EMAIL ADDRESSES.***

SPECIFIC QUESTIONNAIRE INSTRUCTIONS

- A. If you are a new client, we will need copies of your prior year's federal and state tax returns.**
- B. We must have all copies of Forms W-2's, 1099s, 1098s, K-1's & SSA-1's.**
- C. Refund Information – The Refund Information section must be completed each year because we cannot assume that the bank information is the same as the prior year. Your tax refunds will be received faster by choosing Direct Deposit.
- D. If you retired from the Federal government and received at least one annuity payment during the calendar year, we will need to know the dollar amount that you contributed towards your pension. You can get this amount from your final pay stub from the box marked “Ret. Deductions this Appointment”. You can also call the Office of Personnel Management office at (888) 767-6738 or TTY: (800) 878-5707 to get this information.
- E. Social Security numbers must be entered for all children and dependents. Please check with the Social Security Administration (800) 772-1213 or TTY: (800) 325-0778 to make sure your spouse's name and Social Security number matches his/her current name.
- F. Please forward any city or local income tax forms or instructions you have received.

If you should have any questions, please contact us at (301) 440-7689 or email us at info@accountingchaos.com.

Sincerely,

Accounting Chaos

Enclosures

FILING TIMETABLE

Our normal turnaround time from the date we receive your tax information to the date the returns are sent back to you is less than 2 weeks during early and mid-tax season. However, as the filing due date approaches, the turnaround time may be longer. Please submit your tax information by March 22nd to allow us the appropriate amount of time to properly complete your returns and send them to you by the tax filing due date. If you have a more complex tax return (such as rental property sale, like-kind exchange, multiple states or a large number of investment transactions), please allow additional time to properly prepare your returns.

Rest assured that any tax information packets received after the point where we can complete the returns by the due date, will be placed on an automatic 6-month extension based on your prior year's tax information for no additional fee.

We will do our best to complete any returns placed on extension promptly, and will continue to work on returns in the order they were received. Due to our work load, changes in deadline scheduling, and the quality and care necessary to prepare your returns, you should expect to receive the completed returns during the month of May or early June. Thank you in advance for your understanding.

TAX RETURN FILING EXTENSION

If you cannot get your materials to us during the regular tax season, we will gladly file an extension for federal & state at no additional cost to you. Please contact us before April 15th via email to request an extension to October 15th. This extension will alleviate the IRS penalty for late filing. If you have a balance due, late payment penalty and interest may still apply.

CHECK THE STATUS OF YOUR RETURN BY EMAIL

You can request the status of the preparation of your tax returns by emailing us at info@accountingchaos.com and include your name and last four digits of your social security number in the email. Our email response will provide information as to our work status and will not include financial information or social security numbers.

VISIT OUR WEBSITE

Visit our website www.accountingchaos.com for additional information relating to the other services provided by our firm and relevant tax topics.

Foreign Reporting Requirements

FOREIGN BANK ACCOUNT

Any person or entity subject to the jurisdiction of the United States (includes individuals, corporations, partnerships, trusts and estates) having a financial interest in or signature or other authority over bank accounts, securities or other financial accounts having a value exceeding \$10,000 in a foreign country shall report such a relationship. Filing requirements also apply to taxpayers that have direct or indirect control over a foreign or domestic entity with foreign financial accounts, even if the taxpayer does not have foreign account(s). If you and/or your entity have a financial interest in any foreign accounts, you are responsible for providing our firm with all the information necessary to prepare **Form TDF-90-22.1** required by the US Department of the Treasury. The form needs to be received by the Department on or before June 30th of each tax year.

OTHER FOREIGN ASSETS

In addition, if you fall into one of the below categories or if you have any direct or indirect foreign interests, you may be required to file applicable IRS forms.

- You are an individual or entity with ownership of foreign financial assets and meet the specified criteria (Form 8938);
- You are an officer, director or shareholder with respect to certain foreign corporations (Form 5471);
- You are a foreign-owned U.S. corporation or foreign corporation engaged in a U.S. trade or business (Form 5472);
- You are a U.S. transferor of property to a foreign corporation (Form 926);
- You are a U.S. person with an interest in a foreign trust (Form 3520 and 3520-A); and
- You are a U.S. person with interests in a foreign partnership (Form 8865)

DIGITAL DOCUMENT STORAGE

Over the years, we have noticed that many clients do not realize their important tax documents from previous years aren't where they thought they were **until they need them**. Some of the more common reasons for needing the documents are qualifying for a mortgage, completing financial aid applications and investment purchase information. And if you've ever relocated, you know that task of locating "that tax box" in your attic or basement is never fun. Take advantage of the easiest, ultimate way to store your tax documents with the convenience of having them sent wherever and whenever you need via a simple email. The cost to digitally convert your tax documents and store them for the first five years is only **\$30**. And your first request to have a hard copy mailed is **free!** Email copies are always free.

Although all documents will be returned, we always recommend sending copies and not originals. **Documents smaller than 5 1/2" x 8 1/2" or larger than 8 1/2" x 14" CANNOT BE CONVERTED** so please make sure your documents are the appropriate size. An additional 5 years of storage can be requested in the final year of the storage period.

If you'd like to take advantage of "**DDS**", simply enclose a legible copy of all tax documents to be converted and stored, check the "**DDS**" box on page 4, No. 70 of the questionnaire. It's that easy, and now you can rest assured that for five years your 2012 tax documents can be printed and mailed or emailed anywhere with a single email request, upon proof of your identity. Recommended data for "**DDS**" include:

- Bank statements
- Credit card statements
- Forms 1098s, 1099s, etc.
- Receipts for gifts to charity
- HUD-1 forms for the sale and/or purchase of a home(s)
- Receipts for business expenses
- Receipts for medical expenses
- Rental property income and expenses
- Divorce decrees/separation agreements
- Basis calculations for stock or investment sales

Additional information:

First copy of "DDS" to be printed and mailed is free of charge (regular mail, via USPS). Each additional mailing request within the same five year period is \$10.00. Emailed copies are always free of charge. All documents will be returned once the digital conversion is complete.

REMINDER CHECKLIST OF ADDITIONAL ITEMIZED DEDUCTIONS

<u>MEDICAL</u>	
Air conditioners, pools, etc. if required by doctor's prescription	Long term care insurance and/or expenses
	Medical payments
Acupuncture	Nursing care
Adoption costs	Orthopedic shoes and braces
Ambulance	Rental or purchase of convalescent or healing equipment or medically required equipment
Artificial teeth or limbs	
Certain cosmetic surgery	Special schooling for handicapped
Chiropractors	Support or corrective devices
Eye glasses, contact lenses, eye exam	Therapy and X-ray
Hearing aids, batteries and repairs	Vitamins and diet supplements, if prescribed by a doctor
Hospital payments, sanitariums and nursing homes	Transportation for medical purposes
Invitro fertilization	Weight loss programs if prescribed by a doctor
Laboratory exams and fees	
<u>TAXES</u>	<u>DEDUCTIBLE CONTRIBUTIONS</u>
Real estate taxes on home, land, etc.	Money or property given to: Churches, synagogues, temples, mosques, and other religious organizations
Personal property taxes on autos, etc.	
Ad Valorem	
Mud tax	Federal, state and local governments, if contribution is solely for public purposes
Stock transfer tax	
<u>INTEREST</u>	Non-profit schools, hospitals, and volunteer fire companies
Home mortgages	Public parks and recreation facilities
Brokerage and margin accounts generating interest expense	Salvation Army, Red Cross, CARE, Goodwill Industries, United Way, Boy/Girl Scouts, Boys/Girls Clubs of America, etc.
Co-op or condominium apartments	
Early redemption of certificates of deposit	Volunteer expenses such as travel
Points paid to acquire a new mortgage or refinance existing mortgages	War veterans' groups
<u>MISCELLANEOUS DEDUCTIONS</u>	
Alimony paid	Job search expenses
Conference and seminar expenses (job related)	Legal fees regarding protection of income
Employment agency fees	Safe deposit box
Investment expenses such as: publications, counseling, professional fees and transportation	Tax preparation fees
	Union dues