



## TAX PROTECTION PLAN (TPP)

The Internal Revenue Service and the North Carolina Department of Revenue have been much more active in selecting individuals for closer examination. Technology and updated statistical information have made our government entities much more efficient increasing the number of tax returns that are being examined. Examples of increased exam techniques include a 1099 and K1 matching program and exams in which you receive a letter denying your deductions requiring you to provide support for your deductions.

The fact that you get chosen for an exam does not mean you have done anything wrong or that there was an error in the preparation of your tax return. Exams can be the result of random chance or that your tax return contains line items or schedules in which the government entity has determined has a high potential for non-compliance. Additionally, the Internal Revenue Service regularly performs special project exams for certain entities, industries or items on personal returns to establish statistical data for selecting future tax returns for exam. Frequently these examinations are conducted through the issuance of tax notices requesting additional information.

There has also been a significant increase in tax-related identity theft. Tax-related identity theft occurs when someone uses your stolen Social Security number to file a tax return claiming a fraudulent refund. You may be unaware that this has happened until you efile your return and discover that a return already has been filed using your SSN. Or, the IRS may send you a letter saying they have identified a suspicious return using your SSN. With a compromised identity, filing requirements change and IRS recommends the filing of an Identity Theft Affidavit. Additionally, they may require additional steps to verify your identity.

Per the engagement letter for preparation of your tax returns, fees associated with addressing tax notices and identity theft are not included in the tax preparation fees. Fees for representing you in these matters will be charged at our standard hourly rates plus expenses and must be paid upfront based on our minimum fee schedule. Depending on the notice requirements, these fees could be significant and well above the fees incurred for preparation of the tax return being examined. To alleviate the risk of incurring these fees we are offering a program that protects our clients from additional fees resulting from our firm addressing tax notices and identity theft. We refer to this program as the Tax Protection Plan (TPP). If you participate in the program we will represent you at no charge as follows:

*We will review and respond to correspondence from the Internal Revenue Service and the North Carolina Department of Revenue concerning tax returns and/or tax forms prepared by our firm, to the extent we are allowed by our professional designations. This includes the paper filing of identity theft returns, the filing of the corresponding Identity Theft Affidavit, and responses to notices received in regards to identity verification. For an extra fee, additional states can be added. Please note that face-to-face audits are not included.*

The Tax Protection Plan includes only fees incurred for our representation and renews annually. You will remain responsible for any additional tax, penalties, and/or interest that may be assessed by taxing authorities. Additionally, you will be responsible for any fees resulting from other professionals involved in your exam, which may include, but not limited to attorneys, appraisers and expert witnesses. If at any time any fraud or criminal investigation begins, we may withdraw from the engagement and a recommendation to an attorney specializing in such matters will be made.

**Participation in the TPP is optional and only covers individual taxpayers.** If you elect to participate in the program you agree to cooperate with our staff by providing all necessary documentation and source documents requested within 30-days of such request. You agree to sign all forms necessary to allow us to properly represent you.

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## Fee Schedule

To participate in the program, indicate by circling the appropriate box and signing below.

Fees are as follows:

| <b>Annual Tax Protection Plan</b>                     | <b>With auto renewal</b> |
|---|--------------------------|
| Individual & MFJ Couples without Schedules C, E, or F | \$ 29                    |
| Individual & MFJ Couples with Schedules C, E, or F    | \$ 39                    |
| Additional State (only NC included)                   | \$ 5                     |

### Minimum Fee Schedule Without Tax Protection Plan

Without the TPP, Infinity Wealth Management, Inc. will assist in responding to IRS notices and Identity Theft issues for a fee of \$250 and up per incident.

Please check:

\_\_\_\_\_ **YES**, I wish to participate in the Tax Protection Plan for one year. \_\_\_\_\_ Effective Begin Date.

\_\_\_\_\_ **NO**, I do not wish to participate in the Tax Protection Plan and acknowledge that I will be billed at least the minimum fee per occurrence if asked to assist.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date