InorOut
TAX SERVICES
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Tax Year 2025 Personal Engagement Letter

Thank you for choosing In or Out Tax Services, Inc., to assist you with your 2025 personal income tax return. This letter confirms the terms of our engagement with you and outlines the nature and extent of the services we will provide. We apologize in advance for all the legalese, but we do want to have clear communication of expectations between you as our client and us as your tax preparation company.

For our tax preparation fee, we will prepare your federal and state income tax returns, as well as any local tax returns for the state and local taxing authorities in which you deemed yourself a resident and have notified us of taxable activity in 2025 (collectively, "returns"). If you have taxable activity in a state or local municipality other than the ones you are a resident of, you are responsible for providing our firm with all the information necessary to prepare any additional applicable state and local income tax returns, as well as informing us of the applicable states and local municipalities. If you have income tax filing requirements in each state or local municipality, but do not file that return, there could be possible adverse ramifications such as an unlimited statute of limitations, penalties, etc. State income tax filing requirements are changing rapidly. You may have a filing requirement in a state for which you did not file in prior years because the state's filing requirements have changed. If you are in doubt about any federal, state, or local filing jurisdiction filing requirements, please ask!

Our engagement includes e-filing of your returns if available, and if that is not available, we will give you the pages you need to mail. We will send you all returns for your review together with IRS form 8879 and any State signature forms, which you must date, sign and return to us. We will not e-file returns until we have received your completed signature forms as well as the tax preparation fee paid in full. In the event you have tax due with any returns, you will be provided with payment vouchers to include if you are mailing your tax return payments. If you pay electronically, the voucher should provide you with all the information necessary to accurately apply your tax payment to your account. Note: It is strongly recommended to pay electronically online.

We will depend on you to provide the information we need to prepare complete and accurate returns. We may ask you to clarify some items but will not audit or otherwise verify the data you submit. You are responsible for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, and for retaining supporting documentation for those transactions, all of which will, among other things, help ensure the preparation of proper and accurate returns. Furthermore, you are responsible for reviewing all the information presented on your tax return for correctness.

On our website, you can find a checklist, organizers, and our "Customer Information Sheet", all of which will help you collect and organize your tax information (available by January 15th, 2026.) The "Customer Information Sheet" is a form that will need to be completed every year. This document will help you avoid overlooking important information. By filling out this form, you will contribute to the efficient preparation of your returns. **Please make sure your contact information is correct and legible.** In or Out Tax Services, Inc. will not accept responsibility for any failed attempts to contact you due to incomplete or inaccurate or illegible information on the "Customer Information Sheet". While any additional worksheets are optional, your use of such forms will assist us in keeping your fee to a minimum. To the extent we render any services, it will be limited to those tasks we deem necessary for the preparation of the returns only. Any accounting and/or bookkeeping services will be considered "out of scope" of this engagement letter.
If you are self-employed or own rental property, your tax information must be provided to us in an organized fashion. You can fill out one of our worksheets or provide us with information in an equivalent format, such as a spreadsheet or accounting reports. Your tax preparation may be subject to extension or an additional time charge if we receive incomplete or unorganized data.

We have a secure portal for sharing documents. **Do not e-mail sensitive personal information.** Contact us and we will send you a link to your secure portal account. Once you create a password, you can upload information to us securely and we can upload forms to you. We recommend you retain copies of your tax returns for a minimum of seven years. Our office will retain scanned copies of tax documents and records for a period of four years. After four years, we will security shred any paper documents left with us.

For your security, we can only accept information from you through the portal, regular mail, fax, or in person/dropped off. E-mail is okay if what is being sent does not contain sensitive information (such as social security numbers). Please do not text or Facebook message your tax documents to us. We are not responsible for the security of any of your personal sensitive information you give us that is not given to us through the above recommended channels. Our secure portal is the preferred method of exchanging information.

**Substantive Determinations**
We may encounter instances where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. In those instances, we will outline in written communication each of the reasonable alternative courses of action, including the risks and consequences of each such alternative. In the end, we will adopt, on your behalf, the alternative that you select after having considered the information provided by us.
Pursuant to standards prescribed in IRS Circular 230 and IRC 6694, we are forbidden from signing a tax return unless we have a reasonable belief that there is substantial authority for a tax position taken on the return, or unless we have a reasonable belief that there is a reasonable basis for the tax position taken on the return and we disclose this tax position on a separate attachment to the tax return. Substantial authority is generally viewed by tax professionals as requiring at least a 40% probability that the tax position taken will be sustained on its merits. However, under no circumstances may we sign a return with any tax position that has no reasonable basis.

The timeliness of your cooperation is essential to our ability to complete the engagement. We will not begin work on a tax return until we have all the information needed to complete the return; this includes the "Customer Information Sheet", and this signed engagement letter. If, upon beginning a return, we discover that more information is needed, we will contact you with a list of required information and set your return aside until all the new information is received. This allows us maximum efficiency and accuracy. Returns are prepared on a first-come-first-served basis. Please allow a minimum of three weeks for your return to be completed. If you need a faster turnaround, please let us know right away and we will see if it is possible; faster turnarounds may have an additional fee assessed. Additionally, while it is our responsibility to contact you with any questions we might have, or when the return is complete, progress updates on returns significantly slow the process down and, therefore, are not a part of our procedure.

**It may become necessary to apply for an extension to file the returns if there are unresolved tax issues or delays in processing, or if we do not receive all the necessary information from you on a timely basis. Returns initiated after March 1st, 2026, will likely lead to an extension, there could be an exception to this deadline if you are only waiting for one document such as a K-1 form from an entity return such as an S-Corp, especially if we are preparing that entity return. However, an extension is only for more time to file, not to pay.** Various penalties and interest are imposed when a taxpayer fails to pay the full amount of taxes owed by the filing due date of April 15th, 2026. Furthermore, additional penalties and interest are imposed when taxpayers fail to remit the proper amount of subsequent year tax estimates. Based on the information you have provided us; we can assist you in determining the correct amount of taxes owed for the current year and for subsequent year tax estimates. You acknowledge that any such penalties and interest that arise due to the underestimation of the current year taxes owed, or subsequent year tax estimates remitted are your responsibility, and that we have no responsibility in that regard. If you would like information on the amounts or the circumstances of these penalties, please contact us.

If it is determined by you or by our office whether there is more information needed or more time is needed to make sure an accurate return is filed, we will automatically file an extension for you. However, if you have not given us a deposit and you do need an extension, please email, or call us**. Even if we have filed extensions for you in the past, we require that you tell us one is needed at least two weeks before the filing deadline, if there is a possibility that you will owe money, it is better to pay some and get a refund if not needed. We will do our best to estimate what you should pay to any of the taxing authorities. If an extension is filed, the deadline to avoid late filing penalties is October 15th, 2026.**

**Foreign Accounts**

If you and/or your business have a financial interest in any foreign (non-US) bank or trust accounts, you may be required to file the FinCEN Report 114 with the U.S. Department of the Treasury. You are responsible for providing our firm with all the information necessary to prepare the FinCEN Report 114. If you do not provide our firm with information regarding any interest you may have in a foreign account, we will not be able to prepare any of the required disclosure statements. There are substantial penalties for not reporting non-US bank or trust accounts.

Payment is due when your tax return is complete. If you have paid a deposit, it will be subtracted from the invoice amount, and the remaining balance will be due.
We will provide a copy of your return for you to examine. Once you have confirmed accuracy, then we will need a signed e-filing authorization (form 8879) and payment of our invoice to file your return with the IRS and state or local agencies.
You are responsible for reviewing all the information presented on your tax return for accuracy**. Without signatures by the taxpayer and spouse (if applicable), we legally cannot file the return.**
If you have decided not to e-file your returns with our office, you will be solely responsible for mailing the returns to the appropriate taxing authorities. You are responsible for submitting payments for any taxes owed to federal, state, and local entities. If you are mailing the payments, you will be given vouchers with instructions, if you are paying electronically, you will be given the online link to pay. Paying electronically online is strongly recommended. Review all tax-return documents carefully before signing them. We will provide copies of your return; one electronically and if requested, one printed copy. Extra printed copies can be provided for an additional fee. We will not send copies to third party vendors, such as mortgage lenders, if you need a copy for 3rd parties, you can download it from your secure portal and upload it to theirs.

Federal and State acceptance of electronically filed returns, or the mailing of paper returns ends the tax preparation engagement. Confirmation of Federal and State acceptance provided only upon request. We reserve the right to suspend our services or withdraw from this engagement. If we elect to terminate our services, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed your return. You will be obligated, from the date of termination, to compensate us for all outstanding invoices as well as our final invoice, and to reimburse us for all our out-of-pocket costs. For these purposes, any nonpayment, inability to sign the tax return, or non-response by you of information requested (among other things) will constitute a basis for our election to terminate services.

Your returns may be selected for review by the taxing authorities, or you may receive a notice requesting a response to certain issues on your tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such a government tax examination or inquiry, we will be available upon request to represent you or respond to such an inquiry. At that time, we will provide you with a subsequent engagement letter to clarify the nature and extent of services we will provide regarding the tax examination or inquiry response and will render additional invoices for these services and any expenses incurred. Any response or appeal must occur within a specific time frame, so any letters received should be provided to us in a timely fashion to ensure you retain all your rights to appeal. If you receive a letter or bill for penalties or interest that is due to an error in our office, we will either ask for an abatement of the penalties on your behalf or pay the penalty for you or reimburse you with proof of your payment of the penalties. We generally don't cover interest, and we are never responsible for the actual taxes owed.

You agree that any dispute that may arise regarding the meaning, performance, or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation, and that you will engage in the mediation process in good faith once a written request to mediate has been given by either party to the engagement.

Any mediation initiated because of this engagement shall be administered by a law firm specializing in the mediation process, not associated with either party, and selected by us, according to its mediation rules.
Any ensuing litigation shall be conducted within the City of Portland, Multnomah County, State of Oregon, according to Oregon law. The results of such mediation shall be binding only upon the agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

Any litigation arising out of this engagement, except actions by us to enforce payment of our professional invoices, must be filed within one year from the completion of the engagement, notwithstanding any statutory provision to the contrary. In the event of litigation brought against us, any judgement you obtain shall not exceed the penalties assessed by any government agency and only the penalties assessed on the initial notice you received.

This engagement letter is contractual in nature and includes all the relevant terms and conditions that will govern the engagement for which it has been prepared. The terms and conditions of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms and conditions set forth in this letter will only become effective if evidenced by a written amendment to this letter signed by all the parties. If any provision of the letter is declared invalid or unenforceable, the remaining provisions shall remain in effect.
If, after full consideration and consultation with counsel if so desired, you agree to authorize us to prepare your personal and or business income tax returns pursuant to the terms set forth above, please execute this letter on the line(s) below designated for your signature(s) and return the executed letter to this office. You should keep a copy of this fully executed letter for your records  If this firm does not receive from you this letter, in fully executed form, but receives from you a completed copy of the client questionnaire and/or supporting documentation, then such receipt by this office shall be deemed evidence of your acceptance of all terms set forth above and we will commence with the tax return preparation process. HOWEVER, UNDER NO CIRCUMSTANCES SHALL WE SIGN A COMPLETED TAX RETURN OR PREPARE AN EXTENSION UNTIL WE REECEIVE FROM YOU THIS SIGNED ENGAGEMENT LETTER. If this office receives no response to this letter from you, then this office will not proceed to provide you with any professional services and will not prepare your income tax returns.

We look forward to providing our services to you in accordance with the terms of this engagement as outlined in this letter. If you have any questions concerning the terms of this engagement, please feel free to ask us. If you agree with the terms of our engagement, please sign below, and return the completed engagement letter to us.  These engagement terms will apply until either you or we cancel them or as mentioned before, your tax return(s) are completed and filed.

In Summary, this letter confirms the terms of our engagement with you and outlines the nature and extent of the services we will provide:
--We will prepare your 2025 federal and state and local income taxes necessary.

--We will depend upon you to provide the information we need to prepare complete and accurate returns.
--We may ask you to clarify some items but will not audit or otherwise verify the data you submit.
--Worksheets are available to help you collect the data required for your return. You can ask us to send them to you, or you can go to our website at www.inorouttax.com (available by January 15th, 2026.) The organizer will help you avoid overlooking important information. By using it, you will contribute to the efficient preparation of your returns.
At the very least, we need you to fill out the "Customer Information Sheet" and this engagement letter to move forward with your tax return preparation.
--We do not perform bookkeeping or other accounting services. If you need these services, we can give you referrals. Our work will not include procedures to find defalcations or other irregularities. Accordingly, our engagement should not be relied upon to disclose errors, fraud, or other illegal activities. We will inform you of any material errors, fraud, or other illegal acts we may discover.
--We will need all your information by March 1st, 2026, to be able to complete your tax returns by the April 15th, deadline. However, if you don't have all your information available or for other reasons, we may find the need to file an extension, we will contact you about paying extension or estimated payments if needed as the extension is for more time to file not to pay. If an extension is filed the deadline to avoid late filing penalties is October 15th, 2026. The law imposes penalties when taxpayers underestimate their tax liability. In or Out Tax Services, Inc. is not responsible for any penalties or interest that may be incurred if the tax is greater than the estimate that we advised with the information available.
--Should we encounter instances of unclear tax law, or of potential conflicts in the interpretation of the law, we will outline the reasonable courses of action and the risks and consequences of each. We will ultimately adopt, on your behalf, the alternative you select.
--If you receive a letter or bill for penalties or interest that is due to an error in our office, we will either ask for abatement of penalties on your behalf or pay the penalty for you or reimburse you with proof of your payment of the penalties. We generally don't cover interest, and we are never responsible for the actual taxes owed.
--If there is an understatement of taxes due because of a form or information you did not provide us, we will not be responsible for taxes, interest, or penalties, but we may be able to represent you to minimize penalties or interest for an additional fee. Not all income is reported on official tax documents, this is especially true if you are self-employed or have rental income. The Internal Revenue Code states that all income is taxable unless stated otherwise. If you are in doubt about the taxability of anything you received by cash or otherwise, please ask.
--We recommend you keep copies of your tax returns for 7 years; our office will securely destroy our copies of your tax return(s) and the documentation you provided us to prepare them after 4 years.
--The minimum fee to prepare your tax return is $450 ($430 if we receive it before 12/31/2025).
--We ask for a $450 deposit ($430 before 12/31/2025) along with this engagement letter to secure your spot in our queue for the 2025 tax year. You may pay the deposit here: -
If you are paying before 12/31/2025: https://mxmerchant.com/mxcustomer/d/cf897a32-2ed9-4a01-a602-dee6336539ba/v3
If you are paying after 12/31/2025: https://mxmerchant.com/mxcustomer/d/2205a892-7da2-4a79-ae64-d7081895eb65/v3

--Please pay the deposit and return this engagement letter before March 1st, 2026, to guarantee the spot in our queue, we also will shut off accepting engagements for filing by the April 15th, 2026 deadline after the first 500 clients who return this signed engagement letter an pay the deposit, or when the 03/01/2026 deadline passes, whichever comes first, then, if you request it, we will help you file an extension. The deadline for avoiding late filing penalties is October 15th, 2026.

To affirm that this letter correctly summarizes your understanding of our guidelines for preparing your tax returns and to complete this engagement, we will need a $450 deposit and your signature. **If this is a joint return, this letter must be signed by both spouses. The $450 ($430 if paid before 12/31/2025) deposit will go towards your 2025 tax return preparation fee. If for some reason, you do not complete your 2025 tax return with us, the fee is non-refundable.**

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Taxpayer Name (please print legibly)

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Taxpayer Signature Date

_____

Spouse Name (please print legibly)

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Spouse Signature Date