



Cygnets Tax

Steven P Bigos, EA
251 Pawtuxet Avenue, Warwick, RI 02888
401-942-1040 Info@CygnetsTax.com

Cygnets Tax Client

After a resounding success, I am pleased to again offer (and make permanent) the following Tax Preparation Services. Please read and choose which service best suits your needs. Feel free to call and discuss what services would be best for you prior to your appointment.

	SILVER	GOLD	PLATINUM	PREMIUM Service
Income Tax Preparation	X	X	X	X
Electronically Filed	X	X	X	X
Direct Deposit*	X	X	X	X
Penalties & Interest Paid (Up to Tax Prep. Fee)	X	X	X	X
Choice of Paper or PDF Password Protected "COPY" of Tax Return & Preparation Documents	X	X	X	X
Where's My Refund Inquiry		X	X	X
Tax Advice Consultation 1 st Inquiry-(Add'l \$95.00 per hour)		X	X	X
Year-End Tax Consultation Up to 1 Hour-(Add'l. \$95.00 per hour)			X	X
Tax Advice-Just a quick question Email & Phone Correspondence			X	X
Access to the Cygnets Tax Handout Library (access to 95+ Tax Brochures, Planning Tips, etc.)			X	X
Tax Letter Inquiry w/POA *Further Engagement May Be Additional				X
		\$95.00 Additional	\$195 Additional Or \$19.95 Month	\$295 Additional Or \$29.95 Month

Cygnets Tax will continue to offer you your **CHOICE** of PAPER or PDF of your Tax Return with supporting documents at NO ADDITIONAL COST -a \$25.00 Value. If you pay at time of tax preparation there is a Savings of up to \$110.00. Contact Cygnets Tax today.

Cygnets Tax NOW offers Cloud based uploading of Documents. Just contact Steve and he will set you up with an account.

Cygnets Tax will be starting to book appointments for tax return preparation after January 15th, 2016
Call to schedule a time that is convenient for you, 401-942-1040.

Cygnets Tax will again be accepting Credit Cards this year.
Again this year, I have been approved by the U.S. Treasury (IRS) to be an Electronic Return Originator (ERO).

Cygnets Tax requires all clients to sign an engagement letter and client consent to use tax information form prior to engaging in preparing your income tax returns. Please download, read, sign, date and bring with you on your tax appointment.

For your convenience you may download the forms at:

www.cygnets.com/16Taxinfo.html

Password: cygnets2016

In an effort to combat identity theft, the state of Rhode Island is now requiring valid state id's for tax return processing. So Cygnets Tax will be updating all clients with new IDs, please bring yours to your next appointment.

Due to strict regulations imposed by the US Treasury/Internal Revenue Service and States on protecting client's identities and information, Cygnets Tax has had to impose an Electronics Service fee of \$10.00 to defray some of the cost. Thank you for your understanding.



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2016-2017 Additional Fees Schedule

"COPY" of Tax returns (ea. Year)	(Postage will be charged if mailing)	\$ 15.00
PDF version of Tax Return (ea. Year) and supporting documentation		\$ 25.00
Fax or e-Mail Transmission (additional)		\$ 15.00
Insufficient Funds Returned Check Fee		\$ 25.00
Outstanding Balance Fee	(1½% per Month) *Minimum	\$ 5.00
Missed Appointment	(if less than 24 hour notice)	\$ 95.00
Estimated Tax Appointment		\$ 69.00
Tax Advice Consultation		\$ 95.00
Business Consulting		\$ 95.00
Telephone Consulting		\$ 95.00
Tax Letter Inquiry w/Power of Attorney (Form 2848 Federal & State)		\$ 250.00
IRS Representation (per hour)		\$ 250.00

Cygnet Tax continues to offer the following Business Startup with basic startup costs, additional fees may be required based on complexity of business, call to schedule your appointment

Small Business Startup / Formation Schedule C Business Entity	\$ 350.00
Small Business Startup / Formation of LLC Business Entity	\$ 500.00
Small Business Startup / Formation of Corporate Business Entity	\$ 950.00

Cygnet Tax also offers Income Tax Resolution Services.

These services include: Transcript Investigation, Compliance, Release of Bank or Wage Levy, Installment agreements, Offers in Compromise, Innocent Spouse, Penalty Abatement and Audit Representation. If you know of someone who hasn't filed tax returns in years, owes back taxes, have them contact Cygnet Tax.

As usual, the Cygnet Tax website (www.CygnetTax.com) will have all necessary forms you need for your tax appointment. Please download what you need and fill them out prior to your appointment to make tax preparation easier.

Your Privacy is my concern. It is my policy to keep your personal and business matters confidential to the extent permitted by law. I handle all information you provide me with the utmost confidentiality. Your personal information will only be shared with members of Cygnet Tax who need to know this information in order to complete the work you have hired me to do. I will not disclose your personal information to anyone outside Cygnet Tax without your express written permission to do so, or unless I am legally required to do so. For example, if a mortgage lender contacts our office for a copy of your return or information about it, I will ask that you provide written permission prior to me responding to that request.

Since **Referrals** are the cornerstone of any service business, I (like other professional service firms) rely on satisfied clients as my primary source of new business. Your referrals are both welcome and most sincerely appreciated! This year, I am again offering you \$5.00 off your next year's tax return for each new client who has their taxes prepared by Cygnet Tax.

Thank you and I am looking forward to serving you this coming tax year and am available year round to assist you with your tax planning questions. Please feel free to call if you or someone you know needs tax, bookkeeping, budgeting or daily money management (DMM) assistance.

Steven P Bigos, Enrolled Agent
Cygnet Tax



Cygnet Tax Contact



Cygnet Tax

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2016 Cygnet Tax Client Engagement Letter

Name: _____
Address: _____
City, State, Zip _____

Thank you for choosing Cygnet Tax to assist you with your 2016 taxes. This letter confirms the terms of our engagement with you and outlines the nature and extent of the services we will provide.

Cygnet Tax will prepare your 2016 federal and state income tax returns. Cygnet Tax 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. Cygnet Tax has Organizer to help you collect the data required for your return. The Organizer will help you avoid overlooking important information. By using it, you will contribute to efficient preparation of your returns and help minimize the cost of our services. You may request an Organizer be mailed to you or you may download the Organizer on our website-www.CygnetTax.com.

We will perform accounting services only as needed to prepare your tax returns. 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 acts, though it may be necessary for you to clarify some of the information you submit. We will, of course, inform you of any material errors, fraud, or other illegal acts we discover. The law imposes penalties when taxpayers underestimate their tax liability. Call us if you have concerns.

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.

Our normal fee method is to base costs on the type of forms and schedules required, but if excessive time is required for preparing, researching or bookkeeping, you will be billed additional billing rates plus out-of-pocket expenses. Invoices are due and payable upon presentation. NO return will be e-filed until paid for unless other payment arrangements are made. To the extent permitted by state law, an interest charge may be added to all accounts not paid within thirty (30) days.

We will return your original records to you at the end of this engagement. You should securely store these records, along with all supporting documents, canceled checks, etc., as these items may later be needed to prove accuracy and completeness of a return. We will retain copies of your records and our work papers for your engagement for four years, after which these documents will be destroyed.

Our engagement to prepare your 2016 tax returns will conclude with the delivery of the completed returns to you (if paper-filing), or your signature and our subsequent submittal of your tax return (if e-filing). If you have not selected to e-file your returns with our office, you will be solely responsible to file the returns with the appropriate taxing authorities. Review all tax-return documents carefully before signing them.

Your returns may be selected for audit by a taxing authority. Any proposed adjustments are subject to appeal. In the event of a tax examination or inquiry, Cygnet Tax can arrange to be available to represent you. Such representation will be a separate engagement for which an engagement letter will be provided to you. Fees and expenses for defending the returns will be invoiced in accordance with terms we agree on for that engagement.

You agree that you will provide us with additional information requested to prepare your returns within 5 days after requested, and you understand and acknowledge that it is not Cygnet Tax's responsibility to follow up with you in the event that you do not provide us with information that we need to complete your returns. You will contact us immediately if you discover additional information that will lead to a change in your tax returns, or if you receive any correspondence regarding your tax returns. Cygnet Tax is only responsible for penalties and interest up to the value of your income tax preparation fee, if Cygnet Tax omitted data or was erroneous in preparing your income tax return.

To affirm that this letter correctly summarizes your understanding of the arrangements for this work, please sign.

TAX RETURN	()	PAPER	()	PDF
INCOME TAX SERVICES	()	SILVER	()	GOLD
	()	PLATINUM	()	PREMIUM

Sincerely,
Steven P Bigos, EA
Cygnet Tax

Accepted By:

Taxpayer

Spouse

Date



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CONSENT TO DISCLOSE OR CONSENT TO USE FORM 1040 TAX RETURN INFORMATION REQUIRED BY SECTION 7216(a)

Federal law requires this consent form be provided to you. Unless authorized by law, we cannot disclose, without your consent, your tax return information to third parties for purposes other than the preparation and filing of your tax return and, in certain limited circumstances, for purposes involving tax return preparation. If you consent to the disclosure of your tax return information, Federal law may not protect your tax return information from further use or distribution.

You are not required to complete this form. Because our ability to disclose your tax return information to another tax return preparer affects the service that we provide to you and its cost, we may decline to provide you with service or change the terms of service that we provide to you if you do not sign this form. If you agree to the disclosure of your tax return information, your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year.

Duration of consent (optional): _____

I, _____, authorize Steven P Bigos, Enrolled Agent,
D/B/A Cygnet Tax to disclose [specify tax return information to be disclosed]

Prior Year, Current Year and Estimating Future Tax and Financial Information

Other

to [identify the recipient of the tax return information]

for the purpose of [specify the intent of the disclosure]

Income Tax Advising, Estimating and Preparation

Other

If you believe your tax return information has been disclosed or used improperly in a manner unauthorized by law or without your permission, you may contact the Treasury Inspector General for Tax Administration (TIGTA) by telephone at 1-800-366-4484, or by email at complaints@tigta.treas.gov.

I hereby consent and give my authorization as stated above.

Taxpayer #1

Taxpayer #2

Date

Date



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It is that time of year again to start planning for the tax season. So, I am writing to let you know some of the changes with the newest tax law throughout the year and for 2016. As usual I have prepared for this tax season by continuing with my CPE courses, so I am able to understand the complexities of the new tax law changes and how they might affect you.

The following temporary tax provisions are now permanent under the new law

- *The \$250 above-the-line deduction for teachers and other school professionals for expenses paid or incurred for books, certain supplies, equipment, and supplementary material used by the educator in the classroom;*
- *The deduction for mortgage insurance premiums deductible as qualified residence interest;*
- *The option to take an itemized deduction for State and local general sales taxes instead of the itemized deduction permitted for State and local income taxes;*
- *The American Opportunity Credit for qualified tuition and related expenses was also expanded to include course materials; and*
- *The provision that permits tax-free distributions to charity from an individual retirement account (IRA) of up to \$100,000 per taxpayer per tax year, by taxpayers age 70½ or older.*

The extended business credits and special depreciation and expensing rules include:

- *The employer wage credit for activated military reservists;*
- *The work opportunity tax credit;*
- *Fifteen-year straight line cost recovery for qualified leasehold improvements, qualified restaurant buildings and improvements, and qualified retail improvements;*
- *Fifty percent bonus depreciation (extended before Jan. 1, 2016 for certain longer-lived and transportation assets);*
- *The election to accelerate alternative minimum tax (AMT) credits in lieu of additional first-year depreciation;*
- *The enhanced charitable deduction for contributions of food inventory;*
- *The exclusion from a tax-exempt organization's unrelated business taxable income (UBTI) of interest, rent, royalties, and annuities paid to it from a controlled entity;*
- *The exclusion of 100% of gain on certain small business stock;*
- *The basis adjustment to stock of S corporations making charitable contributions of property;*
- *The reduction in S corporation recognition period for built-in gains tax;*
- *Two provisions dealing with multi-employer defined benefit pension plans (dealing with an automatic extension of amortization periods and shortfall funding method and endangered and critical rules), are extended through 2016.*

2016-Individual Income Tax Rates

10%, 15%, 25%, 28%, 33%, 35% and 39.6%

Higher income taxpayers whose adjusted gross income (AGI) exceeds \$250,000 for joint filers and surviving spouses, \$200,000 for single taxpayers and heads of household, and \$125,000 for a married individuals filing separately. The threshold amounts aren't indexed for inflation and face two new taxes for 2016:

- 0.9% additional Medicare tax applies to **earned** income.
- 3.8% Net Investment Income tax applies to **unearned** income.

Affordable Care Act- Individual Mandate

Individuals who do not have acceptable health insurance coverage will be subject to the following penalty.

- 2015- \$95 per person or 1% of their income whichever is larger.
- 2016- \$325 per person or 2% of their income whichever is larger.
- 2017- \$695 per person or 2.5% of income whichever is larger.

Advance Payments of the Premium Assistance Health Care Tax Credit. If you received advanced payments of the premium assistance tax credit, you'll need to fill out Form 8962 to find out if your advance payments were too little, too much or just right by comparing it to the actual credit amount. If you were underpaid, additional tax credits can be released to you. If you were overpaid, you pay back the overpaid tax credits. However, the amount you pay back to the IRS might be limited.