SULLIVAN & KELLOWAY PC
CERTIFIED PUBLIC ACCOUNTANTS

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Happy New Year!

There are only a few new tax changes this year but as many of you already know, Linda got married and has changed her name to Kelloway! Over the next few months, the firm name will be transitioning from Sullivan & Ford PC to Sullivan & Kelloway PC. The biggest tax law changes that occurred this year are new income limitations on electric/hybrid vehicle credits and the residential energy credits have been increased to an **annual** $1,200 limit on the following:

$150 for home energy audits; $250 for an exterior door ($500 total for all exterior doors); $600 for exterior windows and skylights; central air conditioners; electric panels and certain related equipment; natural gas, propane, or oil water heaters; natural gas, propane, or oil furnaces or hot water boilers; and $2,000 for electric or natural gas heat pump water heaters, electric or natural gas heat pumps, and biomass stoves and boilers (for this one category, the $1,200 annual limit may be exceeded)

We have enclosed a checklist to assist you in gathering your 2023 tax information. We have also included a questionnaire that helps us determine that you have included all information necessary to complete your tax return. **Please return this questionnaire** as the questions of whether you have any income from or property in a foreign country and whether you received, sold or exchanged any virtual currency are required to be answered on the tax return. **An engagement letter is also enclosed and must be signed before we can release your return.**

We must have the majority of your information on or before March 15, 2024 to file your returns by April 15th. Extensions will be prepared on April 1st this year so we will need to know by then whether you would like us to prepare them. Keep in mind it does not extend the payment period. If you anticipate you will owe tax, then it needs to be sent with the extension request. If you do not have a sufficient amount paid in, your extension could be denied.

You may drop off, mail, or scan and upload your information to us. If you choose to scan and upload your tax documents they must go through our secure portal. For security purposes we will not open any email attachments. If you are uploading as you receive your tax documents, please email us when you finish. For more information and/or instructions please reach out to us by email. Note our emails have changed as well as our website and both are included on this letter. If you would prefer a personalized organizer based on the prior year we can mail or upload one to your portal account. Office hours are by appointment only. If you are dropping off your information, we have a secure mail slot in our outside door. If you have information that will not fit through the slot please call ahead as we work from home as well as the office.

Should you have any questions, please do not hesitate to call or email. We wish you a happy, healthy, and prosperous new year and look forward to working with you this tax season.

Yours truly,

Laurie Sullivan

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Linda Kelloway

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Dear Client:

Thank you for choosing SULLIVAN & KELLOWAY PC to assist you with your 2023 taxes. 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 2023 federal and state income tax returns. 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. A Checklist & Questionnaire is enclosed to help you collect the required data and to help you avoid overlooking important information.

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 inform you of any material errors, fraud, or other illegal acts we discover.

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 fee is based on our time at standard billing rates $270/hr plus out-of-pocket expenses. Our time includes any time spent during your drop-off appointment. We have a minimum tax preparation fee of $250.00 (Dependent returns will receive a 50% discount or a minimum fee of $150.00). Invoices are due and payable upon presentation. All accounts not paid within thirty (30) days are subject to interest charges to the extent permitted by state law. Returns will not be electronically filed without payment.

We will return your original records to you at the end of this engagement. Store these records, along with all supporting documents, in a secure location. We retain copies of your records and our work papers from your engagement for three years, after which these documents will be destroyed.

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. Our engagement to prepare your 2023 tax returns will conclude with the delivery of the completed returns to you, or with e-filed returns, with your signature and our subsequent submittal of your tax return.

To affirm that this letter correctly summarizes your understanding of the arrangements for this work, sign in the space indicated below and return it to us. (Both spouses must sign for preparation of joint returns.)

Thank you for the opportunity to be of service. If you have any questions, contact our office at (508)503-1728.

Sincerely,

SULLIVAN & KELLOWAY PC

Accepted By:

____
Taxpayer

____
Spouse

____
Date

2023 **Name:** ____________________

Checklist

Income:

- Form(s) W-2 & W-2G
- Form(s) 1099 (DIV, INT, MISC, NEC, G, K, B)
- SSA-1099
- Form(s) K-1 (Partnerships, S Corporations, Fiduciaries)
- Sale of assets or property
- Cancellation of debt
- Alimony received (include date of divorce)
- Other income ____________________

Payments:

- Educator classroom expenses
- Alimony (include name, SS# of payee, and date of divorce)
- Student loan interest
- Contributions to HSA
- Contributions to IRAs and other retirement plans
- Tuition and fees for higher education (Form 1098-T)
- Medical and dental expenses
- Real estate taxes
- Other state and local taxes
- Mortgage interest
- Cash contributions
- Noncash contributions (include donee organization info if over $500)
- Gambling losses
- Rent
- Other payments ____________________

Health Insurance:

- Form HC for each carrier you had during the year
- Form 1095-A if subsidized through Obamacare/Marketplace

Business &/or Real Estate Activities:

- Income & expenses
- Fixed asset purchases
- Related mileage per vehicle used:

Miscellaneous:

- Notice CP01A – Identity Protection PIN
- Voided check for direct debit or deposit
- Signed engagement letter
- Completed questionnaire
- Taxpayer email and phone number

Questionnaire

Name: SSN:

Questionnaire

Personal Information

Yes No

[ ] [ ] Did your marital status change during the year?
If "Yes," explain. ______

[ ] [ ] Did your name change during the tax year?
If "Yes," explain. ______

[ ] [ ] If your filing status is married, but you are filing separately from your spouse, did you and your spouse live apart for the last six months of 2023?

[ ] [ ] Can you or your spouse be claimed as a dependent by someone else?

[ ] [ ] Did your address change during the year?

[ ] [ ] Were you, your spouse, or any dependents a victim of identity theft?
If "Yes," explain. ______

[ ] [ ] Were you, your spouse, or any dependents issued an Identity Protection PIN (IP PIN)?
If "Yes," provide Notice CP01A from the IRS.

Provide proof of identity to be eligible to e-file your tax return (driver's license or state-issued photo ID)

Dependent Information

Yes No

[ ] [ ] Did you have any changes in dependents during the year?
If "Yes," explain. ______

[ ] [ ] Can another person qualify to claim any of your dependents?

[ ] [ ] Did you have any child or dependent care expenses during the year?

[ ] [ ] Did you have any adoption expenses during the year?

[ ] [ ] Did you have any children under age 19 or a full-time student under age 24 with more than $2,500 of unearned income?

Provide documentation for proof of dependent credits (school records, medical records, daycare records, etc.)

Health Care Information

Yes No

[ ] [ ] Did any member of your household have healthcare coverage through the Marketplace (Obamacare)?
If "Yes," provide copies of Form 1095-A.

[ ] [ ] Did you receive any distributions from a Health Savings Account (HSA), Archer MSA, or Medicare Advantage MSA during the year?
[ ] [ ] Custom Double Checkbox Items

[ ] [ ] Were you uninsured for any part of the year

Income, Purchases, Sales, and Debt Information

Yes No

[ ] [ ] Did you receive any tips not reported to your employer?

[ ] [ ] Did you receive any disability income during the year?

[ ] [ ] Did you cash in any U.S. savings bonds during the year?

[ ] [ ] Did you start a new business or purchase any rental property during the year?

[ ] [ ] Did you sell an existing business, rental property, or other property during the year?

[ ] [ ] Did you purchase any business assets or convert any assets to business use?
If "Yes," provide the cost of the asset, the date it was placed in service, and the business use percentage.

[ ] [ ] Did you purchase any gasoline, diesel, or special fuels for off-road business use?

[ ] [ ] Did you buy or sell any stocks, bonds, or other investments during the year?

[ ] [ ] Did you sell a principal residence during the year?
If "Yes," provide closing documentation for the purchase and sale of the home.

[ ] [ ] Did you have a principal residence or a piece of real property foreclosed on during the year?

[ ] [ ] Did you abandon a principal residence or a piece of real property during the year?

Questionnaire

Name: SSN:

Questionnaire

[ ] [ ] Did you refinance your principal home or second home or take out a home equity loan during the year?
If "Yes," provide all escrow, closing, and other pertinent documentation and information.
[ ] [ ] Did you receive any principal or interest during this year from property sold in prior years?
[ ] [ ] Did you rent out your home or use it for business?
[ ] [ ] Did you sell, exchange, or purchase any real estate during the year?
[ ] [ ] Did you acquire a new or additional interest in a partnership or S corporation?
[ ] [ ] Did you have any debts canceled or forgiven this year?
[ ] [ ] Did you purchase a new or previously owned clean vehicle (electric vehicle, plug-in hybrid, fuel-cell vehicle, qualified commercial clean vehicle) during the year?
If "Yes," provide the report the dealer or seller is required to provide to you.
[ ] [ ] Did you receive income or incur expenses associated with a fantasy sports league?
If "Yes," provide documentation.
[ ] [ ] Did you receive income or incur expenses associated with car sharing (e.g., Lyft or Uber)?
If "Yes," attach Form 1099-MISC, Form 1099-NEC, or Form 1099-K.
[ ] [ ] Did you receive income or incur expenses associated with freelancing (e.g., Upwork or TaskRabbit)?
If "Yes," attach Form 1099-K or Form W-2.
[ ] [ ] Did you receive income or incur expenses associated with fashion sharing (e.g., Poshmark or thredUP)?
If "Yes," provide documentation.
[ ] [ ] Did you receive income or incur expenses associated with crowdfunding (e.g., Kickstarter or Indiegogo)?
If "Yes," attach Form 1099-K.
[ ] [ ] Did you receive income or incur expenses associated with a short-term rental (e.g., Airbnb, VRBO or HomeAway)?
If "Yes," provide documentation.
[ ] [ ] Did you receive income or incur expenses as an independent contractor (e.g., Shipt, Instacart, DoorDash)?
If "Yes," provide documentation.
[ ] [ ] Did you receive any other income you have not provided information for with this organizer?
If "Yes," explain. ______________________________

Itemized Deduction Information

Yes No
[ ] [ ] Did you pay out-of-pocket medical or dental expenses (premiums, prescriptions, mileage, etc.) during the year?
[ ] [ ] Did you pay any long-term care premiums for yourself, your spouse, or a dependent during the year?
[ ] [ ] Did you receive any state or local income tax refunds from prior years?
[ ] [ ] Did you make any major purchases (vehicle, boat, etc.) during the year?
[ ] [ ] Did you pay any real estate property taxes or personal taxes during the year?
[ ] [ ] Did you pay mortgage interest during the year?
[ ] [ ] Did you make cash donations to charity during the year?
[ ] [ ] Did you make noncash donations to charity (clothes, furniture, etc.) during the year?
[ ] [ ] Did you donate a boat or vehicle during the year?
If "Yes," attach Form 1098-C.
[ ] [ ] Did you have gambling winnings or losses during the year?

Retirement Information

Yes No
[ ] [ ] Did you make any contributions to an IRA, Roth, Keogh, SIMPLE, SEP, 401(k), or other qualified retirement plan during the year?
[ ] [ ] Did you make any withdrawals or receive distributions from a pension or profit-sharing plan, IRA, Roth, Keogh, SIMPLE, SEP, 401(k), or other qualified retirement plan during the year?
[ ] [ ] Did you execute any rollovers from an IRA, Roth, Keogh, SIMPLE, SEP, 401(k), or other qualified retirement plan during the year?
[ ] [ ] Did you receive any Social Security benefits during the year?

Education Information

Questionnaire

Name: SSN:

Questionnaire

Yes No

[ ] [ ] Did you pay tuition expenses that were required for attending college, university, or vocational school for yourself, your spouse, or a dependent during the year (even if classes were attended in another year)?

[ ] [ ] Did you make a contribution to or receive a distribution from an Education Savings Account or Qualified Tuition Program during the year?

[ ] [ ] Did you pay student loan interest for yourself, your spouse, or your dependents during the year?
If "Yes," provide the amount of interest that was refunded.

[ ] [ ] Did you receive forgiveness on a qualifying federal student loan?

Foreign Tax Information

Yes No

[ ] [ ] Did you have a financial interest in or signature authority over a financial account or asset located in a foreign country?

[ ] [ ] Did you receive a distribution from, or were you a grantor of, or transferor to, a foreign trust?

[ ] [ ] Did the aggregate value of your foreign accounts exceed $10,000 at any time during the year?

[ ] [ ] Did you have any income from, or pay taxes to, a foreign country?

[ ] [ ] Did you receive a Schedule K-3 from a partnership or S corporation?

[ ] [ ] Did you have ownership in a foreign corporation at any time during the year?

[ ] [ ] Did you own property in a foreign country?

Refund, Withholding, and Estimated Tax Information

Yes No

[ ] [ ] If you have an overpayment of 2023 taxes, do you want the refund applied to your 2024 estimated taxes?

[ ] [ ] Did you make any estimated payments toward your 2023 taxes?

[ ] [ ] Did you apply an overpayment of your 2022 taxes to your 2023 estimated taxes?

[ ] [ ] Do you want to have any refund or balance due directly deposited or withdrawn?
If "Yes," provide a canceled checking or savings slip.

[ ] [ ] Do you anticipate your income or withholdings to be different for 2024?

Miscellaneous Information

Yes No

[ ] [ ] Did you receive, sell, exchange, gift, or otherwise dispose of any digital asset or financial interest in any digital asset?

[ ] [ ] Did you incur a gain or loss due to damaged or stolen property, while living in a federally declared disaster area?
If "Yes," provide the incident date, value of the property, amount of insurance reimbursements, and the declaration number assigned by FEMA.

[ ] [ ] Did you make gifts to any one person in excess of $17,000 during the year?

Yes No

[ ] [ ] If "Yes," are you splitting the gift with your spouse?

[ ] [ ] Did you make any energy-efficient improvements to your main home during the year?

[ ] [ ] Did you receive a cash payment or digital asset of more than $10,000 in one transaction or two or more related transactions during the year?

Yes No

[ ] [ ] If "Yes," was Form 8300, Report of Cash Payment over $10,000 Received in Trade or Business, filed?

[ ] [ ] Do you own interest or shares in or did you dispose of a Qualified Opportunity Fund during the year?

[ ] [ ] Did you make any purchases subject to use tax during the year?
If "Yes," provide details.

[ ] [ ] Did you receive any notices from the IRS or state taxing authority?
If "Yes," explain. ______________________________

[ ] [ ] May the IRS discuss your tax return with your preparer?

[ ] [ ] Would you like a copy of your tax return sent to you electronically instead of receiving a printed copy?