

Audit Assistance and Representation Policy

American Expat Tax Services (AET) has a large variety of clients with many complex, multi-layered tax situations and are usually subject to tax in more than one country. Most of our clients have needs other than the preparation of their tax and information returns. AET strives to ensure that, in addition to providing complete and accurate tax preparation, we provide our clients with education and updates on tax law and changes to enable them to make informed decisions, in addition to providing exceptional tax advisory and strategic planning services.

AET clients will also often require assistance responding to correspondence and requests received from the tax authorities¹ and ². Due to the complex nature of the returns that AET prepares for our clients, the possibility that the Internal Revenue Service (IRS) or Canada Revenue Agency (CRA) will correspond with a client after the filing of a tax return is very high. In order to prepare a complete and accurate return which best meets our clients' needs, most returns are prepared using various, complicated positions as allowed under a tax treaty or multiple allocation calculations in order to ensure only taxable income is reported on a tax return or that income is correctly calculated in multiple currencies, etc.. The IRS or CRA will often send a letter to our clients stating that changes were made to a return during processing, requesting additional information be provided or stating there is a mismatch between the information filed on the tax return and information that the IRS or CRA have in their systems due to these positions taken on the returns.

In addition to the above client needs, the IRS and CRA have steadily increasing workloads and the IRS has many antiquated systems, both tax authorities have substantially reduced staffing, staff training and staffing of specialized staff. The Taxpayer Advocate Service is just one of the agencies that have highlighted³ how these issues are significantly affecting taxpayers. CRA has also drastically increased their processing times⁴. Due to these conditions, the tax industry as a whole has experienced significant issues with return processing issues and delays, drastically increased hold times and an increase in courtesy disconnects due to system constraints and overloads.

All of these situations and challenges mean that there are various needs that our clients have before or after we have prepared their returns or in addition to the preparation of their returns. **AET'S PRICING INCLUDES ONLY TAX PREPARATION SERVICES** (additional charges apply to plan, review, consult, respond to any correspondence or issues which may arise, etc.), so in order to be able to continue to provide our clients with the exceptional service they deserve, we have created Value Added Service Bundles which can be purchased in addition to tax preparation services.

All engagements will be automatically billed the "Basics" bundle (with an option to 'Opt out'). Without purchasing one of the Value Added Service Bundles, any services provided by AET other than the preparation of the tax or information return (or follow up due to an error made by AET) will be billed at our regular hourly rates for additional services.

Hourly Rates for Additional Services

Services provided by Mary Beth Lougen, EA, USTCP - \$400CAD/\$320USD – minimum ½ hour charge

Services provided by Andrea Valois - \$300CAD/\$240USD per hour – minimum ½ hour charge

¹ <https://www.irs.gov/individuals/understanding-your-irs-notice-or-letter>

² <https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/review-your-tax-return-cra.html>

³ <https://www.irs.gov/newsroom/national-taxpayer-advocate-delivers-annual-report-to-congress-discusses-tax-reform-implementation-and-unveils-purple-book>

⁴ <http://business.financialpost.com/personal-finance/the-delays-are-tremendous-widespread-backlogs-hamper-cra-streamlining-frustrate-taxpayers>

Value Added Service Bundles

	BASICS \$100CAD/\$80USD	SUPPLEMENTAL \$300CAD/\$240USD	FULL CARE 40% of invoice (min \$500CAD/\$400USD)
PENDING ITEMS - REGULAR FOLLOW-UP*	NO	YES	YES
WORK DIRECTLY WITH THIRD PARTIES (Financial advisors, Banks, Employers, etc.)	YES ON REQUEST	YES ON REQUEST	YES ON REQUEST
DUE DATE REMINDERS AND AUTOMATIC US RETURN EXTENSIONS	NO	YES	YES
RESPOND TO CP75/LTR12C/PROCESSING REVIEW	YES	YES	YES
RESPOND TO CP2000 OR ITIN LETTERS	NO	YES	YES
RESPOND TO OTHER IRS/CRA CORRESPONDENCE	NO	NO	YES
TRANSCRIPT/NOTICE OF (RE)ASSESSMENT REVIEW	NO	UP TO TWO	UNLIMITED
AMENDED RETURNS	NO	NO	YES
AUDIT REPRESENTATION	NO	NO	YES-UP TO 5 HOURS
ESTIMATED TAX/INSTALLMENT PLANNING	NO	NO	AS REQUESTED
OFFSEASON CONSULTATION/QUESTIONS	½ HOUR	2 HOURS	UNLIMITED
24/7 ACCESS TO RETURNS/DOCUMENTS IN SECURE PORTAL BEYOND 12 MONTHS	YES AS UPLOADED	YES ORGANIZED	YES ORGANIZED

*nagging, pestering, needling, carping, badgering, hounding ☺