

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 authorities^{1 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 law 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 to support amounts reported on the return 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 correspondence, the IRS and CRA have steadily increasing workloads and decreased or limited budgets, the IRS has many antiquated systems and both tax authorities have substantially reduced staffing and staff not properly trained in specialized departments. The Taxpayer Advocate Service is just one of the agencies that have highlighted³ how these issues are significantly affecting taxpayers. CRA has also been having difficulties providing acceptable service standards⁴. Due to these conditions, the tax industry as a whole has experienced significant issues with return processing issues, errors and delays, drastically increased hold times (most calls are subject to a minimum one hour hold time) 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 and/or after we have prepared their returns or in addition to the preparation of their returns. While Any errors resulting from our preparation or our software will be corrected, at no additional charge, **AET'S PREPARATION FEES INCLUDE ONLY TAX PREPARATION SERVICES** (additional charges apply to plan, review, consult, respond to any correspondence or issues which may arise, etc.). In order to be able 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 related to US - \$465CAD/\$350USD – minimum ½ hour charge

Services related to Canada - \$335CAD/\$250USD 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 <https://business.financialpost.com/personal-finance/taxes/a-terrible-experience-the-cra-asked-canadians-to-assess-its-customer-service-and-they-didnt-hold-back>

Value Added Service Bundles

	BASICS* \$120CAD/\$90USD	SUPPLEMENTAL* \$270CAD/\$200USD	FULL CARE 40% of invoice (min \$665CAD/\$500USD)
PENDING ITEMS - REGULAR FOLLOW-UP¹	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 MATCHING/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	AS REQUESTED	AS REQUESTED
OFFSEASON CONSULTATION/QUESTIONS	½ HOUR	1 HOUR	UNLIMITED
24/7 ACCESS TO ONLINE PORTAL STORAGE OF RETURNS FOR 12 MONTHS²	NO	YES	YES

*Applied on a 'PER RETURN' Basis

¹nagging, pestering, needling, carping, badgering, hounding ☺

²Portal system is normally used for document transfer ONLY, not storage. Documents uploaded to portal would usually be deleted 7 days after upload – refer to your engagement letter for details