



<b>Filing Information. Please answer "Yes" or "No" to ALL of the following questions.</b>	<b>Yes</b>	<b>No</b>
Is this tax return for an <b>estate</b> ? If yes, please provide the following information: Decedent's date of death: _____ Decedent's SSN: _____	<input type="checkbox"/>	<input type="checkbox"/>
Is this tax return for a <b>trust</b> ? If yes, please provide the following information: Trust type: <input type="checkbox"/> Simple <input type="checkbox"/> Complex <input type="checkbox"/> Grantor <input type="checkbox"/> Other (describe): _____ Date trust was created: _____	<input type="checkbox"/>	<input type="checkbox"/>
Is this a qualified revocable trust filing an original return that wishes to make a <b>\$645 Election</b> to be taxed as an estate? <i>This election allows a qualified revocable trust to be treated and taxed (for income tax purposes) as part of its related estate during the election period. Once the election is made, it cannot be revoked.</i>	<input type="checkbox"/>	<input type="checkbox"/>
What is the estate/trust <b>state of residence</b> ? (should be the same as executor /administrator)		
Is there a <b>change in address or fiduciary name</b> ? If yes, describe: _____	<input type="checkbox"/>	<input type="checkbox"/>
Did the estate or trust receive tax-exempt income? If yes, \$ _____		
Did the estate or trust receive all or any part of the earnings of a person? If yes, describe: _____	<input type="checkbox"/>	<input type="checkbox"/>
Did the estate or trust receive or pay seller-financed mortgage? If yes, describe: _____	<input type="checkbox"/>	<input type="checkbox"/>
Did the estate or trust receive income from a self-employed small business? If yes, complete the <b>Self-Employed Organizer</b> on our website at <a href="https://www.pnwtax.com/">https://www.pnwtax.com/</a> .	<input type="checkbox"/>	<input type="checkbox"/>
Did the estate or trust receive income from rental real estate? If yes, complete <b>Rental Organizer</b> .	<input type="checkbox"/>	<input type="checkbox"/>
Did the estate or trust receive income from a partnership, S-corporation, trust or estate? If yes, Provide K-1 for each entity that issued income.	<input type="checkbox"/>	<input type="checkbox"/>
Did the estate or trust receive income from an installment sale? If yes, describe: _____	<input type="checkbox"/>	<input type="checkbox"/>
Did the estate or trust receive income from any state other than Oregon? If yes, name the state and describe the income: _____	<input type="checkbox"/>	<input type="checkbox"/>
Did the estate or trust receive income from the sale of stocks or bonds? If yes, complete the <b>Sale of Stock Organizer</b> .	<input type="checkbox"/>	<input type="checkbox"/>
Did the estate or trust receive income from interest or dividends? If yes, complete the <b>interest and dividends section</b> on <b>Page 4</b> .	<input type="checkbox"/>	<input type="checkbox"/>
Did the estate or trust sell property? If yes, complete the <b>property sale section</b> on <b>Page 4</b> .	<input type="checkbox"/>	<input type="checkbox"/>

### **Important Information that Applies to Estates**

Information on this page is provided to assist you with gathering documents and other information we need when preparing the fiduciary tax return of an estate.

An estate comes into existence on the date of death of the decedent. The estate ends when all assets held by the estate have been distributed.

- All income earned by the decedent prior to death is reported on the final Individual 1040 return of the decedent. All income earned by the estate is reported on the estate Fiduciary 1041 return.
- For the year of death, it is therefore necessary to file two short-year tax returns:
  - One for the decedent, and
  - One for the estate.
- After the year of death, Fiduciary 1041 tax returns are filed for the estate until the estate is closed and all remaining assets of the estate are distributed to beneficiaries, heirs, or charity.

The executor or administrator of an estate is responsible for performing the following duties relating to tax matters of the estate:

1. Obtaining an employer identification number (EIN)
2. Filing necessary income and estate-tax returns including:
  - a. The estate's income tax return (both federal and state),
  - b. The federal estate-tax return (if required),
  - c. The state death tax return (if required)
  - d. The deceased's final income tax return (federal and state).
3. Payment of debts owed by the estate. Taxes usually must be paid before other debts.
4. Paying all death taxes (i.e., estate and inheritance). Often it is necessary to hire an appraiser to value certain assets of the estate, such as a business, pension, or real estate, since estate taxes are based on the "fair market" value of the assets. After the filing of the returns and payment of taxes, the Internal Revenue Service will generally send some type of estate closing letter accepting the return. Occasionally, the return will be audited.

The executor of an estate should keep meticulous bookkeeping records which detail all income and expenditures of the estate. Depending on circumstances and upon the stipulations set forth within the will, beneficiaries of the estate may receive partial distributions of their inheritance prior to the closing of the estate.

Tax laws and rulings governing administration of estates, particularly with respect to taxes, are complex. Therefore, an executor can be in charge for two or three years before the estate administration is completed. During the period of time the estate continues to exist, the executor is required to pay necessary expenses relating to administration of the estate from the estate's assets.

If the estate sold or disposed of assets during the year, the sale of these items must be reported on the tax return of the estate. The following information should be maintained by the estate:

- An inventory of the items sold,
- The fair market value of these items on the date of death,
- Costs related to maintaining, repairing, improving, holding and selling assets,
- The date of sale, and
- Sales price

Examples of the kinds of assets the estate or trust may have sold include:

- Home
- Rental property
- Stocks and bonds
- Personal property such as furniture, jewelry and vehicles.

Beneficiary Information			
First Name–Last Name	Social Security Number	Beneficiary Mailing Address Street Address City, State, Zip	Beneficiary's share of Income, Deductions etc.

Distributions of money or property to beneficiaries during the year	
Please describe the amount and type of distributions made to beneficiaries during the year.	
Income required to be distributed during the year	\$
Other amounts paid, credited, or otherwise required to be distributed	\$
Use this space to provide additional information about distributions made to beneficiaries.	

**Sale of stock, home, land, automobiles and other property belonging to the estate or trust**

- Please provide copies of year-end brokerage statements relating to stock sales
- If real estate was sold during the year, provide copies of closing papers

Description of property sold	Date purchased	Purchase price	Date sold	Sales price

**Interest and dividend income worksheet**

- Please provide copies of all interest and dividend statements the estate/trust received for the year.
- If you are receiving interest payments under a seller financed mortgage, we will need the name, address and SSN of the person making payments to you.
- For each payer of interest or dividends, enter the total payment received.

Did the trust/estate have ownership or control over a financial account in a foreign country? Yes ☐ No ☐

If yes, complete the **Foreign Income and Asset Holdings Organizer**.

If yes, what was the maximum value of the foreign financial accounts during the year?

Do you wish to nominee any interest to a secondary account holder? Yes ☐ No ☐

Name of bank or other payer	Interest received	Name of brokerage or other payer	Dividends received
	\$		\$
	\$		\$
	\$		\$

Expenses		Expenses	
Fiduciary fees	\$	Attorney fees	\$
Accounting fees	\$	Tax preparer fees	\$
Expenses for maintaining property held by the estate	\$	Qualified residence interest (interest paid by the estate)	\$
Investment interest	\$	Investment advisory fees	\$
Subscriptions to investment advisory magazines	\$	Safe deposit box fees	
Amounts permanently set aside for charitable purposes	\$	Wages (W2s must be issued)	
Mortgage interest (paid to banks etc.)	\$	Cell phone (100% of charges) Business use %	\$ %
Other interest (do not include auto or home loan interest)	\$	Telephone expense (do not include cost of main home phone line)	\$
Legal and professional services	\$	Professional continuing education	\$
Office expense (do not include equipment purchases – see Depreciation Worksheet below)	\$	Internet service	\$
Pension and profit-sharing plans	\$	Parking & tolls	\$
Rent or lease (vehicles, machinery, and equipment)	\$	Other expenses (list below):	\$
Rent (office, leasehold, storage)	\$		\$
Repairs and maintenance	\$		\$

## Terms of Engagement

Thank you for choosing Pacific Northwest Tax Service to assist you with preparation of your tax return(s). 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 federal, state, county, and city income tax returns for the year(s) you identify in this Agreement. 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. Tax organizers are available on our website at [www.pnwtax.com](http://www.pnwtax.com). We encourage you to use these organizers to help you collect the data required for your return. Our staff can also provide you with paper copy of the organizer if you request one.

### Payment of Retainer

Payment of a **non-refundable** retainer is required at the earlier of:

1. The date you schedule your appointment, or
2. The date you deliver this tax organizer and/or other documents to us.

### Retainer Price:

#### **New Clients:**

Estate and Trust Retainer: \$850

#### **Returning Clients:**

Estate and Trust Retainer: \$700

### Tax Return Preparation Procedures

To help ensure we deliver you with the best possible service, it is important that you understand the procedures involved in the preparation of your return which are as follows:

#### **Step 1. Information collection**

We ask you complete this tax organizer and deliver documents to us at least one week prior to your scheduled tax preparation appointment. You may deliver documents to us by dropping them off at our offices, by uploading them to our SecureFilePro portal system or by mail/delivery service.

#### **Step 2. Analysis and preparation**

Prior to your tax appointment, we will review and analyze the tax documents and other information you have provided to us. Our staff will contact you via email or phone to request additional information or documentation that we need, and to ask questions to clarify the information we already have. Please provide any requested documents or information as quickly as you can. If you cannot deliver the requested information before your appointment, we may need to reschedule your appointment.

#### **Step 3. Tax Return Appointment**

At your appointment, you and your tax preparer will be able to:

- Ask and receive answers to any questions either of you might have.
- Review your completed tax return.
- Make any necessary corrections to your return.
- Present required documents for you to sign (paper or electronic format)

- Review tax preparation invoice and make payment.

#### **Step 4. Signing Your Return**

You should carefully review your return and notify your preparer of any required changes you believe should be made. It is especially important to advise your preparer of incorrect names, addresses, tax identification numbers, or bank routing and account numbers. You should also ensure that income and deduction amounts seem accurate.

Both you (and your spouse if filing jointly) must sign the following forms before we can electronically file your return:

Form 8879 (E-File Authorization Form).

Pacific Northwest Tax Service Engagement Letter.

Direct Deposit and/or ACH Payment Authorization (if you have elected to receive your refund or pay your taxes directly from your bank account)

Due diligence forms may need to be signed for taxpayers receiving certain tax benefits such as the earned income credit, child tax credit or head of household filing status.

State 8879, 8453 or other e-sign authorizations may also need to be signed for certain state returns.

Dropbox e-signing procedures

We use the Dropbox, e-signature service which allows you to authenticate and sign your return from your computer or smart phone. The following rules apply to e-signing your return:

Look for an email from Dropbox sign.

Your access code password for e-signing signing your return is your full 9-digit SSN. Enter your SSN, including dashes, in the following format (000-00-0000).

Joint filers receive and sign e-sign documents in separate emails. Taxpayer and spouse will each use your own SSN.

**Signing at our offices:** If you prefer to sign paper forms, you may do so at our offices. Your tax preparer, or our front desk staff can print the required forms for you when you come in. Please have your ID ready to present to our staff at this time.

#### **Step 5. Payment of Tax Preparation Fee**

Your tax preparation bill must be paid before we finalize and electronically file your return. You can pay your invoice in any of the following ways:

1. Authorize.net e-invoice allows you to pay your bill online.
2. Phone into our offices with your credit or debit card.
3. In person at our offices with debit or credit card.

#### **Paying by check**

We do not accept checks except in the cases of trust and estate returns. We will wait for your check to clear before we e-file your return.

#### **Step 6. Tax Consultant Review and Error Check**

After you have signed Form 8879 and paid your tax preparation fees, your return will be routed to our processing department where it will be error-checked. If significant errors are discovered, your preparer will contact you to notify you of the errors. You will be provided with a corrected copy of your return, and you will be asked to sign a new Form 8879 which you will need to sign and return to us before we will file your return.

## **Step 7. E-filing and Finalization of Return**

When review of your return is completed by our Designated Consultant, your return will be electronically filed with the IRS and applicable state(s). After your return(s) are accepted by the IRS and applicable state(s), our front desk staff will contact you to notify you by phone, email and/or text message that your return has been finalized.

## **Step 8: Delivery of tax return & return of original documents**

We will upload an electronic copy of your return to your secure portal. Please let your tax preparer know if you want a paper copy of your return. The additional cost of a paper printout is \$30.

If you delivered paper tax documents to our offices, you will be able to pick your documents up after your tax return has been electronically filed and accepted by IRS and state. Our front desk staff will contact you via phone, e-mail and/or text message to notify you paperwork is ready for pickup. You can stop by our offices during normal business hours to pick up your documents. Any documents not picked up within 4 years will be destroyed.

## **Accounting services**

Pacific Northwest Tax Service offers bookkeeping, accounting, and payroll services for small business. These services are offered separately from our tax preparation services and are not included in the cost of preparing your return. The hourly rate for bookkeeping and payroll is \$125/hour outside of tax season. We do not do bookkeeping during tax season. Complex accounting services performed by our senior accounting staff or CPA, are billed at a rate of \$325/hour. 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.

## **Unclear law**

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 adopt, on your behalf, the reasonable alternative that you select.

## **Penalties for late payment of tax**

You are solely responsible for making timely payment of taxes that you owe. The law imposes penalties when taxpayers underpay or make late payment of their tax liabilities (amounts owed) including:

Estimated tax penalty: If you underpay taxes during the year, you can be assessed an estimated tax penalty.

Late payment penalty: If you pay taxes after the April 15 filing deadline, you can be assessed late filing penalties, late payment penalties and interest on amounts you owe.

**IMPORTANT:** An extension of time to file does not give you more time to pay your tax. You are solely responsible for paying your tax on time. You should remit any amount you owe by the tax filing deadline with your timely filed Form 4868. You may also pay taxes owed online with the IRS and your state.

## **Price Schedule**

We generally charge a flat fee for each form and worksheet that is included with preparation of your tax return. A time charge may apply for additional bookkeeping or consulting services. Our fee for preparing your returns will be based upon the Price Schedule posted in our offices. More information about our pricing can be found on our website at <https://www.pnwtax.com/1040-individual-tax-return-pricing>.



## Return and retention of original documents

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, credit card statements, etc., as these items may later be needed to prove the completeness or accuracy of your return. We will retain copies of your returns, W-2s and certain other required documents for a minimum of 4 years, after which these documents will be destroyed.

## End of Engagement

Our engagement to prepare your 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 choose not to e-file your returns or are not able to e-file your returns with our office, you will be solely responsible for filing the returns with the appropriate taxing authorities. We will not mail paper returns to the government for you. Review all tax-return documents carefully before signing them.

## Identity theft alert and use of secure portal

The IRS strongly advises all taxpayers to avoid sending valuable personal information via email. Cyber-thieves routinely target tax return preparers, banks, medical offices, and other businesses that store confidential information that can be used to steal your identity. We are committed to the protection of your information and therefore maintain the following policies for security reasons:

1. We will not email copies of your tax return to you, and we strongly advise that you do not email your valuable information to your tax preparer.
2. Instead, we request that you use our SecureFilePro cloud-based portal. The portal allows you to send and receive information in a secure environment. Information on how to use the portal is found on our website at [www.pnwtax.com](http://www.pnwtax.com). Click on the User Instructions link in the upper left corner of the landing page. Your tax preparer will set up Portal access for you at your request.
3. We do not mail copies of returns; however, we will arrange for signature delivery via UPS or FedEx for an additional charge of \$75.

## Affirmation and acceptance of terms

To affirm that this letter correctly summarizes your understanding of the arrangements for this work, please sign this letter in the space indicated and return it to us.

\_\_\_\_\_  
Name of Fiduciary/Trustee/Executor

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## Payment of Retainer - Please indicate which of the following is true:

- ☐ I have already paid the required retainer.
- ☐ I am including the required retainer with this organizer.
- ☐ I will call PNW Tax to pay the retainer and book a review or due date appointment.
- ☐ I will self-book an appointment and pay my retainer through the PNW Tax website.

If you are including the required retainer with this organizer, you can attach a check, or you can provide credit/debit card information below.

- ☐ Check for the retainer is attached.
- ☐ Please charge for the retainer to my credit card/debit card.

Name on card		Credit Card #	

Billing street address	Zip	Exp date	CV code

  
Authorized signature