

[Your firm name and logo]

[Firm name]

[Firm address]

[Date]

[Taxpayer name(s) or business name]

[Address]

Re: Resolution of federal tax balances, [tax types and years]

Dear [Taxpayer name(s)],

Our role

[Firm name] will act for you in resolving the federal tax balances listed below. [Representative name], [attorney / CPA / enrolled agent], [license or enrollment number], is responsible for your case.

Balances and notices in scope

This letter covers: [tax type], [form number], [years or periods], and the notices you gave us: [notice numbers and dates]. Other years, other taxes and state balances are not included unless we add them in writing.

Phase one: investigation

Once you sign Form 2848 [and Form 8821], we will obtain your IRS account transcripts, confirm the balances and any unfiled years, review your finances and send you a written recommendation within [number] days of receiving your records. The fee for phase one is [amount].

Phase two: resolution

After you agree in writing to the path we recommend, we will pursue: [short-term payment plan / long-term payment plan / offer in compromise / currently not collectible status / penalty relief]. The fee for phase two is [amount or rate]. A different path needs an amendment to this letter.

Not included

Unless added in writing, we will not: prepare unfiled or amended returns (covered by a separate letter); handle an appeal or a Tax Court case; represent you in a trust fund recovery penalty interview; or deal with state tax agencies.

Staying compliant

While your case is open, you agree to file every required return on time, make your estimated tax payments [and your federal tax deposits as an employer], and send us any IRS letter within [number] business days of receipt. If a final notice of intent to levy arrives, send it to us the same day, because a hearing request is due within 30 days of receiving it.

Financial records

By [date], you will send the records we need to complete [Form 433-A (OIC) / Form 433-B (OIC) / Form 433-F / Form 433-H], including: pay stubs for the last [number] months; statements for every bank, investment and retirement account for the months that form asks for; your mortgage or rent and vehicle loan statements; and proof of monthly expenses. For a business: the receivables aging, a current profit and loss statement and business bank statements.

Accuracy of your statements

You will sign the financial statements we prepare for the IRS under penalties of perjury. They must be

complete and true. A false or incomplete statement can cause the IRS to reject or later void an agreement.

Offer costs (optional)

If we file an offer in compromise, the IRS charges an application fee and requires a first payment unless you qualify as low income. If the IRS rejects the offer, it does not return the application fee and applies your payments to the balance. These amounts are separate from our fees.

No guarantee

The IRS makes the final determination on every request. We cannot promise that an offer or plan will be accepted, the amount you will pay, or that collection will stop during the case.

Fees and payment

Fees are due as each phase starts [or in (number) monthly payments of (amount)]. Our fees do not depend on the amount the IRS accepts. If you do not pay, we may stop work after written notice.

Your records

When you ask, we will promptly return the records you need to meet your federal tax obligations, even if you owe us fees.

Gift tax return rider (optional)

We will also prepare Form 709 for gifts made in [year] to: [donee, date, description of gift]. You will provide appraisals, trust instruments, deeds and the statements that show each transfer. If you and your spouse elect to split gifts, both of you will sign the consent. We will describe each gift fully on the return.

Ending the engagement

Either of us may end this engagement by written notice. We will withdraw our Form 2848, send you a letter on the status of each balance and any deadlines ahead, and return your records.

Signing

Please sign and return this letter with Form 2848 and the phase one fee. For joint balances or split gifts, both spouses sign.

Sincerely yours,

[Representative name], [Designation]

[Firm name]

Signature: _____ Date: _____

Taxpayer: [Name] Signature: _____ Date: _____

Spouse: [Name] Signature: _____ Date: _____