

LAWRENCE TAX SERVICE

A division of Lawrence & Associates, Inc.

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A MESSAGE FROM THE LAWRENCE TAX SERVICE TEAM

Dear Clients and Friends: Lawrence Tax Service (LTS) welcomes you to the new year and the upcoming 2022 tax season. Our experience in fulfilling clients' expectations last year necessitated exploring additional options to prepare and complete each tax return. While unfamiliar to many clients initially, our pre-scheduled virtual appts were well received and streamlined the process. We will continue to encourage your use of this option as we remain mindful of the health and wellness of our clients and staff.

We appreciate your efforts to timely compile all relevant tax data so we may complete your return efficiently and accurately. With this goal in mind, we are highlighting certain procedures, documents needed, updates to billing and fees as well as privacy and security enhancements afforded by our new client portal, SmartVault.

Enclosed are your annual tax data collection sheets for your 2021 taxes along with our LTS Engagement Letter we require you to sign and return to us. Please take care in preparing your tax data/organizer sheets and documentation so we can do the best job to maximize tax benefits for you.

With the start of 2022 it is time to gather your tax records for the upcoming tax season. Many year-end tax forms will be mailed to you shortly from various reporting entities such as employers, retirement custodians, mortgage companies, etc. Refer to the enclosed "Things to Bring List" for many of the forms we will need in order to prepare your tax returns. Federal and State tax laws are constantly changing. LTS is monitoring all changes to prepare returns in compliance with current law while also monitoring the news for proposed changes yet to become law. LTS is here to help.

THE LTS TEAM: The LTS team works collaboratively throughout the year providing tax preparation and representation services for our valued clients.

LTS was founded by Greg Lawrence in 1973. Today our team includes Miles Lawrence and Dick Moore, each an Enrolled Agent and Brett Strother, an EA and CPA. Rhonda Ibrahim is now a registered tax preparer (CTEC) and will continue to facilitate administration and reception. The LTS administration and reception Team is Rhonda Ibrahim, Jeannie Lowrance and Kim Lawrence. Rhonda and Jeannie will also facilitate technology related needs by assisting clients to schedule virtual appointments and to register and use the new LTS portal (SmartVault).

Rhonda continues to operate CPO Consulting LLC which provides bookkeeping and QuickBooks consulting services.

Pre-Scheduled Virtual Appointment Reminder: As mentioned earlier, the 2022 pre-scheduled appointments will not be in-person, but virtual appointments consisting of either a phone call or Zoom online meeting. As we did last year, we have pre-scheduled your virtual appointment and in December will mail these notices to each of you. Your pre-scheduled appointment will be based upon prior year history. Let us know ASAP if you do not receive this letter or must change your appointment. The letter contains the date, time and preparer for your virtual meeting. Additionally, our office will need your tax data at least one week prior to your virtual appointment. We will contact you the week before your appointment with a reminder of the date and time and whether your tax data has been received.

LTS WEBSITE: www.LECPROFGROUP.COM and Portal

Please periodically check our website at www.LECProfGroup.com for copies of our mid-year email updates, annual newsletters, related tax data collection sheets, our fee schedule and the LTS Engagement Letter. The website also reports on the LTS team, appointment procedures, privacy policy, and other important information for your benefit.

- **PORTAL:** Our LTS website has a link in the upper right corner to our new secure SmartVault portal which is described in more detail under the Privacy/Data Security Policy below.

APPOINTMENTS AND PROCEDURES:

The following is a brief review of LTS policies.

1. **Virtual Appointments:** A hallmark feature of LTS is the popular two-hour appointment. It is scheduled with you to perform the due diligence needed to prepare your taxes and achieve tax compliance while reconnecting on a personal level. Similar to prior tax seasons, we will schedule these virtual appointments Monday through Saturday starting at 9 AM with the last appointment scheduled no later than 6 PM.
2. **Mail-in Program:** For our personal income tax clients, the mail-in program allows you to mail, upload to LTS portal (see comments below) or drop off your individual tax data using the attached data collection sheets or tax organizer. If your mail-in data is substantially complete we are offering a 15% discount to our fees if received or post-marked by March 1, 2022.
3. **Fees & billing:** Our LTS published fees have been updated (per form, schedule and hourly rate). The IRS and states have created some new 2021 forms and schedules which we have added to our LTS minimum fee schedule. Similar to last year we are again summarizing our fees and billing policy in the attached Engagement Letter (yellow sheet). Please sign, date and return this letter to LTS. Tax preparation fees are based on our minimum fee schedule found on the reverse of the Engagement Letter. In addition to tax preparation services, should you require tax consultation, planning or audit representation services, the fee charged will be based upon the hourly rate of the tax professional working on your case.
4. **Data Collection Sheets and/or Tax Organizer:** As part of this LTS newsletter we are including our familiar tax data collection sheets (blue and green). Please fill them in and include all the documents requested on the Things to Bring List. Starting this year, each client can access their Tax Organizer package (the multi-page questionnaire reflecting current and prior year tax data) on our secure portal, SmartVault. We appreciate clients who are prepared and organized for their tax appointment using these sheets having answered all the queries which are essential for tax compliance.
5. **Privacy/Data Security Policy:** The law prevents us from discussing your business with others without your written permission. Therefore, we do not share your private tax information with anyone (e.g. lenders, mtg brokers, etc.) without it. **WARNING:** Because Identity Theft and even fake IRS scams are on the rise, you should be extremely careful with your private financial information. Starting January 2022, IRS will have available an Opt-In program for identity protection PIN's.
 - **SmartVault portal:** For security purposes and your protection, any transmitted security sensitive documents should use our new LTS SmartVault portal featured below because we have replaced the Intuit Link portal. We encourage everyone to use the SmartVault portal.
 - Easy Activation: We have emailed you an invitation to activate and will follow up with a call.
 - Enhanced Features:
 - 4 Client Folders: Organized by year for easy use
 - Security: Two Factor Authentication
 - Improvements: Addresses challenges of previous portal

1099 FILING SEASON IS JANUARY: Both IRS and State agencies have increased penalties for late or erroneous 1099's. The 2021 tax forms require an affirmative answer, under penalty of perjury, to the question if you have met your 1099 filing requirements. 1099's are required to be filed by all payers to non-incorporated entities, including individuals and landlords, where the total payments for the year were \$600 or more. January is the month to prepare and mail recipients any 1099's you must file. WORKER RECLASSIFICATION audits are also examining if someone is more properly an employee rather than an independent contractor. If you have dutifully filed 1099's on your contractors then your case is buttressed. We encourage you to file 1099's even if they are after the January deadline and may trigger a penalty. If you need help, please contact us in early January and provide your information so we can help you comply in this complicated area. Be sure to have all your contractors fill out W-9 forms and when in doubt answer the questions on an SS-8 form.

Your LTS Team looks forward to working with you this coming tax season and wishes you a safe and Happy New Year.