

McDaniel Tax & Administrative Services Accuracy Guarantee

The McDaniel Tax & Administrative Services Guarantee pays penalty and interest resulting from an error in tax preparation.

The guarantee is effective when tax preparation is paid for and the affected tax return(s) are signed by you, and cannot be transferred by you to others. Subject to the exceptions noted below, the guarantee provides you with the following benefits with respect to the individual federal and any individual state or local returns prepared and paid for without discount to per-form pricing at the time of payment.

The guarantee applies only to filed and accepted original individual U.S. resident tax returns prepared by McDaniel Tax & Administrative Services for the year of the return and for which the balance due to McDaniel Tax & Administrative Services has been paid. You represent to us that you have reviewed the items on your return and that any items or issues on such returns have not been, or are not currently, under examination by tax authorities as of the date of purchase indicated on your receipt that specifies the total purchase price for the tax preparation and which is incorporated herein. **Please note that any discounts to per-form pricing in place at the time of payment will be deducted from any payment from McDaniel Tax & Administrative Services as a result of this guarantee.**

If your return is audited, McDaniel Tax & Administrative Services will provide you with a qualified person (but not an attorney) to assist in compiling the necessary information that you will need to supply the tax authority should such tax authority question the accuracy of your return.

If you owe additional taxes as a result of an error in tax preparation and the error is discovered by you, your representative or a tax authority, during the period of three years from the filing deadlines for such returns, not including extensions, McDaniel Tax & Administrative Services will pay you for penalties and interest up to a cumulative total of \$1,500 for all such returns, subject to the terms and conditions detailed below. Such three year limitation applies to your federal and state returns, including returns for those states in which the "open" period to review returns is greater than three years. In some cases, the correction of a specific error will involve changes on multiple returns, including state or local tax returns, which may result in an overpayment on one return and a balance due on another. In such cases, the overpayment and balance due will be netted in determining the amount McDaniel Tax & Administrative Services will pay for penalties and interest owed as a result of correction of the error minus any discounts given at the time of payment for the tax preparation. **McDaniel Tax & Administrative Services assumes no responsibility for payment of additional taxes to a tax authority. You are responsible for providing payment of additional taxes to the tax authority.**

Before such payment, you must:

- (a) notify McDaniel Tax & Administrative Services of any government notice regarding such taxes within 60 days from the date of the initial notice;
- (b) promptly provide the representative of McDaniel Tax & Administrative Services assigned to your case with copies of such notices and other documents relating to or substantiating such additional taxes and agree to work with that representative of McDaniel Tax & Administrative Services.
- (c) provide McDaniel Tax & Administrative Services with reasonable notice of and allow McDaniel Tax & Administrative Services to attend an audit with you or as your representative with Power of Attorney;
- (d) allow McDaniel Tax & Administrative Services at its sole discretion and expense, to challenge the determination that additional taxes and penalties and interest are owed; and
- (e) provide McDaniel Tax & Administrative Services with your receipt as proof of your purchase of tax preparation. If payment for tax preparation has been refunded, penalties and interest will not be paid.

The Guarantee does not apply to:

- (a) amended returns (1040-X) unless the McDaniel Tax & Administrative Services error at issue is a result from the error in the original tax preparation; 1040-NR;
- (b) non-individual returns such as employment (including taxes assessed on Form 4137 for income other than allocated tips), corporate, state and local small business, occupation tax, partnership, trust, estate, and gift tax returns;
- (c) any returns used to file for tax credits or rebates such as property tax, homestead or renters credits that are not filed in conjunction with a federal, state or local return;
- (d) the calculation of estimated tax payment vouchers, additional taxes owed as a result of an erroneous refund of your estimated tax payments by the IRS or a state or local taxing authority;
- (e) any return for which, as of the date of such purchase, you have knowledge of additional taxes owed;
- (f) any return for which you have received on or before the date of such purchase any notification from any tax authority of examination or audit;
- (g) returns for which errors have been identified by McDaniel Tax & Administrative Services prior to an assessment of additional taxes by tax authorities and can be corrected by McDaniel Tax & Administrative Services within 30 days from McDaniel Tax & Administrative Services' preparation of the return;
- (h) any return relating to previous years;
- (i) additional taxes, penalties and interest that are assessed as the result of (i) incorrect, incomplete, false or misleading information that you have given to McDaniel Tax & Administrative Services in connection with its preparation of a return; (ii) the government's inability to obtain from you sufficient records to support deductions, credits and other items on your return; (iii) your failure to timely pay the taxes as shown to be due on your return; and (iv) additional taxes assessed as the result of your desire to take a position on your return that challenges current IRS or judicial tax law guidelines or interpretation. In the event you receive a refund of any assessment that McDaniel Tax & Administrative Services has paid you under the Plan, you must reimburse McDaniel Tax & Administrative Services for the amount of such refund; and
- (j) assessments of additional taxes that occur after three years from the filing deadline for the return, not including extensions.

I received an inquiry from a tax authority. What do I do next?

1. Provide your tax authority notice and any related documents to McDaniel Tax & Administrative Services within **60 days** from the date of the initial notice. If you don't contact us within 60 days, your claim may be denied.
2. McDaniel Tax & Administrative Services will investigate the issue. (Please note: while receipts are not required for tax return preparation, you must make these documents available to the tax authority in the event they are requested.)
3. Once the final determination has been made with the tax authority, and if additional taxes are owed due to McDaniel Tax & Administrative Services' error, the office will review and process your claim within four to six weeks.
 - o If your claim is approved, you will receive a check.
 - o If your claim is not approved, you will receive a letter explaining the reason for the denial. If you disagree with the denial, you may dispute it by calling 619-481-8115 to request a review of the determination. Your claim will usually be reviewed within two to five days. You will receive the final determination in writing.
 - o If penalties and interest are due, that payment may be processed and paid under the conditions of The McDaniel Tax & Administrative Services Guarantee.
 - o Interest will be paid up until the date that the final determination is written.
 - o Any payment that is received as a result of the guarantee is considered taxable income to you and a 1099MISC will be issued for such payment.