

# 1040 Protect and 1040 Protect - Deluxe

Included with our tax preparation service is our **1040 Protect** coverage. If WE make a mistake on your tax return and you experience financial harm\*, WE will pay the PENALTIES and INTEREST caused by our error and assessed by the Internal Revenue Service and/or your state Department of Revenue - at NO additional cost to you.

Our **1040 Protect - Deluxe** coverage is also available to you. Under the terms of our **1040 Protect - Deluxe** coverage, if WE make a mistake on your tax return and you experience financial harm\*, WE will pay the TAX LIABILITY, PENALTY, and INTEREST caused by our error and assessed by the Internal Revenue Service and/or your state Department of Revenue\*, to a combined maximum of \$6,000-for a nominal charge of \$20.

**In order to be eligible for reimbursement under 1040 Protect or 1040 Protect - Deluxe you must:**

- 1) Notify the local branch office or any affiliated branch office within 60 days of receiving any letter from any taxing authority concerning your individual tax return;
- 2) Allow and assist the office in any effort deemed necessary at its own expense to investigate, question, or challenge the additional amount due per the taxing authority;

**1040 Protect or 1040 Protect - Deluxe coverage does not apply to any of the following situations:**

- 1) You provided incorrect or incomplete information when the return was prepared;
- 2) The tax return, as originally prepared, shows an amount owed for taxes (1040 Protect base coverage of penalties and interest only would be covered in this situation);
- 3) Your tax refund was reduced or not received as a result of a tax lien, judgment support order, unpaid student or government related loan, back taxes, payment of any other RAL bank loan or any other collection activity;
- 4) You had actual knowledge that additional tax would be owed on or before the date the return was filed;
- 5) You are unable to produce sufficient or appropriate records to support your tax position before the IRS;
- 6) You failed to timely file the tax return or pay the taxes shown as owing on such return;
- 7) You intended to defraud the office or any taxing authority;
- 8) Events subsequent to the preparation of your tax return caused the additional tax assessment; and/or
- 9) Your tax return was prepared by one of your family members that works or worked for the Company, its subsidiaries or affiliates.

**Other Terms and Conditions:**

- 1) If you receive a refund of monies from a taxing authority for a return protected under this coverage and any payment is remitted to you pursuant to the terms of this coverage with respect to such tax return, you agree to promptly reimburse such payment to the office or its designate.
- 2) IRS guidelines require that any reimbursement of an additional tax assessment will require you to include such payment as income on the tax return for the year in which such payment is made. A Form 1099 will be furnished to you to reflect this payment.
- 3) If preparation fees for the return have not been paid prior to the date of the letter from the IRS and/or state Department of Revenue, the company will not be liable and will not pay for any tax liability, interest or penalties.
- 4) 1040 Protect and/or 1040 Protect - Deluxe is not available for any tax returns prepared for employees, previous employees or family members of employees or previous employees of the Company, its subsidiaries or affiliates.

\* Financial harm is defined as being required to pay back money previously received based upon reliance on the tax return prepared by our company and for which you had no knowledge prior to receipt of the money that it would be required to be paid back.

Opt Out of 1040 Protect - Deluxe coverage:

1040 Protect - Deluxe coverage and thus the \$20 charge for that coverage will be charged on each tax return prepared unless you, the customer, opts out of this \$6,000 combined coverage. Please sign below in the section that reflects your choice.

I/We opt to accept the 1040 Protect - Deluxe coverage as explained above at a cost of \$20.

\_\_\_\_\_  
Customer Signature

\_\_\_\_\_  
Spouse Signature (if applicable)

I/We opt to accept the base 1040 Protect coverage as explained above at no additional cost.

\_\_\_\_\_  
Customer Signature

\_\_\_\_\_  
Spouse Signature (if applicable)