

Tax Reimbursement Program Terms and Conditions

The following terms and conditions govern the Tax Reimbursement Program. Throughout this document, **Program** refers to this Tax Reimbursement Program. **You** and **Your** refer to the person(s) or **Participant(s)** who have been enrolled in the **Program** by a **Participating Tax Preparer**. **We**, **Us** and **Our** refer to the **Company** providing this benefit to **Participants**. In addition, when in bold certain words and phrases are defined as follows:

1. Definitions:

The following definitions are applicable to the Agreement.

- a. "**Assessment**" means an initial assessment by the Internal Revenue Service (IRS) or state taxing authority against the Return for additional fees, penalty and/or interest that is made within three (3) years from the original filing date.
- b. "**Error**" means a miscalculation by a **Tax Preparer** or certain mistakes by the **Tax Preparer** that result in an **Assessment**.
- c. "**Negligence**" means failure on the part of the professional tax preparer to exercise the care or apply the effort to research IRS and/or state tax codes, instructions and guidelines that a reasonably prudent professional tax preparer would exercise in their efforts to comply with IRS and/or state tax codes in the preparation of a tax **Return**; or failure on the part of the **Taxpayer** to exercise the care or apply the effort that a reasonably prudent person would exercise in providing their professional tax preparer with complete and accurate information to enable them to accurately prepare the tax **Return**.
- d. "**Return**" means an IRS acknowledged individual federal tax return form 1040 (including schedule A, C and E) and a state acknowledged individual state return (if applicable) for the previous year's tax return and is not otherwise excluded in this Agreement.
- e. "**Tax Preparer**" and "**Participating Tax Preparer**" means the Electronic Return Originator (**ERO**) and or the individual completing and signing the acknowledged Return as the paid preparer who is an Organization Member of the American Advantage Association authorized to enroll **Participants** in the **Program**.
- f. "**Participant**" means the individual for which a **Participating Tax Preparer** or **ERO** completes and signs an acknowledged Return and reports them as a participant in the **Program** to **Company**.
- g. "**Company**" is Tax Protection Plus, LLC through the American Advantage Risk Purchasing Group and its members and the American Advantage Association and its Organization Member **Participating Tax Preparers and EROs**
- h. "**Membership**" is a term defining a **Participant's** status as a **Participant** in the **Program** who is eligible to receive the Services defined in this Agreement.

2. Services provided by Company under the Program: From the date the IRS or state (if applicable) has acknowledged transmission of your return and for a period of three (3) years after the filing deadline of April 15 (the **Membership** Term), for the tax year preceding the year of enrollment, if the **Participant's Return** is audited, and it is determined that additional fees, penalties and interest are due as the direct result of a legitimate **Error** made by a **Participating Tax Preparer**, **Company** will provide the **Participant** with the reimbursement of up to a combined total of \$2,500.00 in additional fees, penalties and interest as calculated by the IRS and state, subject to the limitations and qualification criteria described in section 5. REIMBURSEMENT BENEFITS ARE NOT AVAILABLE AND WILL NOT BE PAID TO TAXPAYERS WHO RESIDE IN SD, TN, WY OR PUERTO RICO OR IN ANY OTHER STATE IN WHICH APPLICABLE LAW PROHIBITS COMPANY FROM MAKING SUCH PAYMENT

3. Program Exclusions: The following types of tax returns and or inquiries are specifically excluded. **Company** is under no obligation to provide **Participant** with the Services in connection with such tax returns and or inquiries:

- 3.1 Non-Resident tax returns.
- 3.2 Returns other than individual 1040 and state returns including, but not limited to, corporate, partnership, trust, estate, gift and employment returns.
- 3.3 **Returns** in which the **Participant** or **Tax Preparer** had knowledge of additional taxes owed as of the date **Participant** was enrolled in the **Program**.
- 3.4 **Returns** prepared with **Negligence**, recklessness, intentional misrepresentation or fraud and self-prepared Returns.
- 3.5 Local, city and county tax **Returns**.
- 3.6 **Returns** that have become subject to IRS and/or state criminal investigations.
- 3.7 Inquiries related to foreign income, flow-through entities (partnerships and S-corporations as reported on Schedule K), court awards and damages, bartering income, cancelled debt, estate and gift tax.
- 3.8 Inquiries related to the following credits: Foreign tax credit, Plug-in electric vehicle credit, Residential energy efficient property credit, Mortgage interest credit, Credit to holders of tax credit bonds, Health coverage tax credit, "Credit" for prior year minimum tax, "Credit" for excess Social Security tax or railroad retirement tax withheld.
- 3.9 No payments or reimbursements will be made in relation to additional fees, penalties or fees due as a result of the Affordable Care Act.

4. Participant Responsibilities: In order for **Company** to be obligated to provide the Services to **Participant**, the **Participant** agrees to take the following actions:

- 4.1 Contact the IRS and/or state (with the assistance of **Company**) per the audit notice received to request an extension of the deadline for responding.
- 4.2 Notify **Company** of any IRS and/or state correspondence or notice regarding the **Return** within thirty (30) days from the date of such notice along with a complete copy of the **Return**.
- 4.3 Provide **Company** any further assistance or documents as requested that support claims made on the **Return**.

5. Reimbursement Policy and Criteria:

- 5.1 The Service that provides for reimbursement of assessed penalties, interest and fees is provided through **Company** and its **Participating Tax Preparers and EROs**.
- 5.2 A **Participant's** eligibility for reimbursement of assessed penalties; interest and fees are subject to the exclusions described in Section 3. If the audit is a result of a legitimate **Error** made by a **Participating Tax Preparer**, **Company** will reimburse the affected **Participant** for additional fees, penalties and interest assessed up to \$2,500.00 for the **Return**. Qualified reimbursements will be paid by **Company** only after all of the obligations of **Participant** in Section 4 are satisfied and the **Participant** provides **Company** with proof satisfactory to **Company** that either (a) all tax obligations have been paid in full to the IRS and/or state or (b) the **Participant** is current with any payment agreement entered into with the IRS and/or state.
- 5.3 Notwithstanding anything contained herein to the contrary, the **Participant** is not eligible for reimbursement if the additional fee, penalty or interest is assessed as a result of:
 - 5.3.1 Incomplete, incorrect or misleading information intentionally provided by the **Participant**, **Tax Preparer** or **ERO**.
 - 5.3.2 **ERO's** or **Tax Preparer's** reckless failure to include W-2, 1099 or any other taxable income on the **Return**.
 - 5.3.3 The **Participant's** inability to provide the IRS and/or state or **Company** with sufficient records to support any item on the **Return**, including (but not limited to) filing status, deductions, expenses or dependents.
 - 5.3.4 **Returns** prepared with **Negligence**.