

A helpful FAQ

In order to maintain our goal of providing exceptional customer service and standards of quality we have provided a FAQ of the most common questions regarding tax preparation.

General

1. What can I do to make services as smooth as possible?

We at take pride in our work and will do our utmost to ensure our processes for delivery and receipt go as smooth as possible. In order to keep this goal, we ask that we're kept up-to-date with any information changes, such as email addresses, contact phone numbers, and addresses. We also ask that you add echosign@echosign.com as well as noreply@safesendreturns.com and support@tranersmith.com to your email contacts for each email provided to our office. This will ensure for the most part that our notification emails are not blocked by your email provider or accidentally marked as junk or spam.

2. How will I receive the invoice for services?

For client convenience, an invoice is included in the delivery of our completed tax returns. In rare cases the bill is slightly delayed; if this is the case, we will send the invoice using our email system or by sending the invoice in the mail depending on each client's preference. Electronic Invoices and statements will be sent from accounts.receivable@tranersmith.com to the associated email address(s) on file, so if you did not receive an invoice with the return be on the lookout!

3. I received my invoice! How do I pay?

We have several convenient options for making payments. www.tranersmith.com has a pay option located in the upper right of the home page; our invoice and statement emails will include a *pay now* link that will direct you to payments. We accept checks, credit and debit cards both in person and over the phone

4. Are there any deadlines I should know about?

Yes! In order to guarantee that your return is completed before the filing deadline, please submit your tax documents to our office no later than 25 days in advance. This is usually by the 20th of the month prior to the tax return due date. Priority will be given to clients who submitted their tax documents timely, although we will do our best to complete your return before any filing deadline and will file an extension on your behalf if not.

How do I submit documents?

5. How do I submit my tax documents for preparation?

There are several easy, convenient, and secure ways to submit your tax documents to Traner Smith. All digital tax documents (either a scan or native pdf) can be submitted by Share Safe, a secure file share program that connects our clients directly to our office. An upload link is available on our website www.tranersmith.com or in the email signatures of any of our associates.

6. What if all my tax documents are paper?

If some or all of your tax documents are physical paper, not a problem! Physical tax documents can be mailed into our office or dropped off. If you have a quality scanner they can also be scanned in and sent using a secure link (Share Safe) that one of our preparers will provide to you. If you do not have the ability to scan, then please send your original tax paperwork to our office. Once we receive your tax documents, we will create high quality scanned images of your tax documents and retain the scan in our files for future access.

We do ask that paper tax documents are not marked with highlighters or stapled together, as that hinders and may delay our scanning process. We also recommend that original tax documents are mailed to our office are sent via certified mail.

Additionally, please do not send cell phone images to our office! Cell phone images are usually low quality and low resolution, which renders them unusable for tax preparation.

7. Do I have to send original tax documents, or can I send a copy?

We do not require original tax documents, so copies work just fine! Please be sure that the copies are free from debris, stains, or other matters that might obscure important information.

8. What if I don't have all of my tax documents, or what if my tax documents come too close to the filing deadline?

Not a problem! If you do not have all of your tax documents for completing your return, or if your information comes to you within 25 days of the deadline, please submit what you have! We will do our best to complete your return on time if possible and will file an extension for you if not. Often times it is better to submit your incomplete tax documents earlier than to wait until all tax documents are received. The 80/20 "golden rule" generally applies. If you have 80% of your documents and are waiting on the final 20% - go ahead and submit them.

How is my return finalized, delivered, and completed?

9. How will I know when my return is complete?

Once we have completed your tax return you will be notified by our office either by email or by a friendly phone call. Please let our office know if you have a preference for receiving notifications electronically (by email) or by phone.

10. I have been notified that my return is complete. How will I receive my completed tax return?

Delivery options for tax returns is all about your preferences! If you like to receive tax documents electronically, we will send via SafeSend Returns, which will allow review, downloading, and in many cases electronic signing of the tax return all in one convenient location! If you prefer physical copies, not a problem! We can print a copy of the return as well as any signature pages and send to you using USPS or call and inform you that they are available for pick up at our office.

11. What is a Form 8879 e-file authorization and why do I need it?

The IRS requires all returns to be electronically filed. As such, all returns will have an associated Form 8879, which will be provided to you at the time of return delivery. In order to file your return with the IRS we are first required to obtain your signature(s) on the Form 8879. While you do have up until the return deadline to sign and return the Form to our office, we highly recommend returning it to us as soon as possible to allow time for the IRS to process. It is very important to note that per IRS regulations we CANNOT file your return without obtaining a signed Form 8879, so please be sure to return the signed form to our office!

Some 8879s - such as for 1040 series returns - can be electronically signed, but others – such as for business entity and partnership clients – cannot. This is governed by IRS regulations. We are optimistic that all returns will allow for electronic signatures within the next few years.

Please note that any taxes that may be due with the filing are NOT required to be paid until the due date, therefore, an early submission of the Form 8879 will not accelerate payment of your taxes.

What happens after my return is filed?

12. I sent in my original tax documents and my return is complete: how will I receive my originals?

If all of your tax documents were submitted to us electronically, then you're good to go! If the tax documents were submitted to our office physically, we will return the originals to you either by USPS or by client pick up, whichever is preferred.

13. My return is completed, filed, and I have a refund: how long should I wait for my refund?

That's great news! If your return was electronically filed, the average wait time for a refund is 2-4 weeks. If the return was paper filed, then the average time is 4-8 weeks. Amended returns can take up to 12 weeks to process.

14. My return was filed but I haven't received my refund. How do I check the status?

It can be very frustrating wondering where your refund is. To alleviate the stress, the IRS has provided a handy link of <https://www.irs.gov/refunds> which will provide the status of your refund for you. To utilize this service, you will need to provide your Social Security Number, your filing status, and the refund amount.

15. My return is complete, filed, and I owe a taxing authority: do I have to pay immediately?

Usually, you have until the return deadline to send in your payment to any taxing authorities that you owe money. This could include paying online or sending a check. Each completed return will include a cover letter that will specify when payments, if any, are due. Sometimes it is not on the regular due date, so be sure to read your letter!

If a check is sent by mail, we highly recommend sending it certified with a return receipt to ensure the taxing authority receives your payment. This also provides proof that payment was submitted timely.

16. What is auto-withdrawal for a tax return? If I elect to do that, when will the money be taken out?

Auto-withdrawal (also called auto-pay or auto-debit) is an option for returns where money is owed to a taxing authority such as the IRS. Rather than sending a paper check or paying online, this option is like a slow cooker: fix it and forget it! The taxing authority will automatically take the required payment from the specified account on the deadline for the return, regardless of when it is filed. All you need to do is ensure the withdrawal amount is present in the account set for auto-withdrawal on the due date. It's that easy!

Auto-withdrawal may be used if you are required to make estimated payments. In order to set up auto-pay we will need to be aware of your desire before we file the return. Unfortunately, once a return is filed, we cannot add auto-pay. We also require you to submit a voided check so that we can verify the banking routing and account number. Please be sure to let us know in advance if you would like this option!

What's the deal with extensions?

17. I've never filed an extension before; isn't it bad?

There is a lot of misleading or incorrect information about extensions out there! There could be a whole FAQ debunking the common myths, but we'll stick to the most common ones. Firstly, an extension does not increase your risk of your return being audited. There are many outside factors the IRS uses to determine if they will audit a return, but whether or not it was extended is not one of them. Secondly, while an extension will extend the time to file it will NOT extend time to pay. This is discussed in more detail below (question 20). Thirdly, your return can be filed any time from the original deadline to the extended deadline. This means if your original deadline was April 15th your return can be filed in June or July! You do not have to wait for October to file, and incidentally is better if you don't. And finally, the IRS will not turn you down for an extension regardless of the reason you are filing one. First extensions do not require a reason for filing at all. There are very rare instances a second extension is required, but they are so uncommon that they're nothing to be concerned with.

18. Do you automatically file extensions or is there anything you need anything from me?

Yes. At a minimum, we need a copy of any W2s you received, as well as providing us the amount of estimated tax payments that you made (if any). If you are confident that no tax will ultimately be due (see question 20), we can file an extension with no further action required by you. If you want us to provide an estimate of your tax liability, we would need from you as much information as you have available for your income and deductions. If we ultimately estimate a tax liability is due, you either need to sign Form 8878, authorizing the IRS to auto-withdrawal an amount of your choosing or will need to mail a check with a voucher that we will provide.

For all Partnerships or S-Corporation entities that have not yet been completed and filed with the Internal Revenue Service, we will file an automatic extension approximately 5 days prior to the deadline, assuming we have received your signed engagements letter by that date. This will include many entities that are in various stages of preparation including those just waiting on eFile authorization. Filing an automatic extension on the return will simply provide us more time to work through your return and it reduces the urgency for you to finalize and sign eFile authorization forms. No signature or action is required of you.

19. What are the benefits of filing an extension?

The greatest benefit of filing an extension is more time! Once an extension is filed and accepted filers are granted an additional 6 months to gather, prepare, and file their return. This means there's more time to find any and all deductions that may be missed when attempting to rush to file before the deadline.

20. What are the drawbacks of filing an extension?

There are few drawbacks to filing an extension for Form 1040 and Form 1120. However, the biggest drawback is that an extension is an extension to file and not an extension to pay. If payment is not made timely on or before the original filing date you will accrue interest and

penalties to be paid in addition to your balance due. This goes hand in hand with getting your information to us as soon as possible: the earlier we receive your information, the sooner we can calculate your payment, allowing you time to gather the necessary funds!

The extension to file form 1040 does not always extend the date in which you can make IRA or HSA contributions and apply the payments towards the tax year in question. Therefore, it's important that you work with us to ensure payments are made where applicable.

21. Doesn't an extension extend the statute of my return? What do you mean by "statute" anyway?

The statute of a return refers to the IRS statute of limitations which are set as time periods established by law to review, analyze, and resolve taxpayer and/or IRS tax related issues. In this case, filing an extension does also extend the statute of Form 1040 or Form 1120 by six months. However, it does not increase the likelihood of your return being audited.

The statute of limitations for Partnerships (Form 1065) and S-Corporations (Form 1120-S), follows the "tax paying entity" which generally the Individual (form 1040) or Corporation (Form 1120). Thus, if you extend your Partnership or S-Corporation return but complete it with a timely filed Form 1040 – the statute will only be increased by one month.

22. What happens if I fail to file an extension?

That is unfortunate! Since it is now past the deadline and no extension or return was filed you may will face penalties and interest from the IRS for failure to file. Contact our office immediately and we can help you file your return as soon as possible, possibly minimizing the interest and penalties you. We can also talk through the circumstances that led you to miss filing an extension and see if you qualify for any hardship waivers.