

A LETTER TO EXISTING AND PROSPECTIVE E-FILE PARTNERS

It is the time of year again when the multi-billion dollar Tax Preparation/Electronic Filing Industry begins planning for the coming tax season. Before we mention the changes in store for 800-TAX REFUND's e-file services in 2019, let us briefly review the results of the past tax season:

At the national level, IRS once again exceeded their prior year electronic filing volume. They received 135.5 million tax returns electronically during the past season, a 2.4% increase from the previous year. Eighty-eight percent of all tax returns processed by IRS in 2018 were filed electronically. Nearly three out of every four tax returns received by IRS were issued refunds, and those refunds averaged \$2,900.00. Over eighty percent of taxpayers claiming refunds this year elected to receive their refunds by direct deposit. The growth in online filing by individuals who are preparing and e-filing tax returns from their home computers picked up over the previous year, as this segment of the industry, comprising 36% of all filers, grew by more than 3% in 2018 (though fewer than 5% of them used IRS Free File).

However, America's reliance on tax professionals remains healthy: 53.5% of all tax returns processed in 2017 (the most recent statistical year) were signed by a paid preparer, virtually unchanged from the previous processing year. E-file growth for tax professionals picked up a bit in 2018 as practitioner e-file volume was up 1.7% from 2017. Thus it is imperative that practitioners remain competitive by offering their clients services that make the tax filing experience convenient, secure, and reasonably priced. 800-TAX REFUND remains dedicated to helping practitioners stay competitive with low-cost, high-quality, and innovative products and services that strive to maintain the highest levels of security and client satisfaction.

New For 2019:

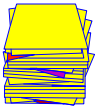
Security Safeguards. Once again, IRS will be delaying early-season EITC/ACTC/AOTC refunds until the end of February. To our knowledge, AL and IL remain the only state tax returns that require Taxpayer/Spouse driver's license or state ID information in order to e-file, though other states are encouraging the practice. NY now restricts the preparation of all state returns (e-file and paper) to credentialed or state-registered preparers only. And the 16-digit W2 verification codes for e-file remain in pilot mode this year, meaning the tax return will not reject if the code is omitted from the electronic return. While 800-TAX REFUND has seen a dramatic decrease in the number of ID theft cases during the past three filing seasons, there were significant enough data breaches preceding this season that **we will no longer offer a money-back guarantee on e-filed returns that are delayed or rejected due to a compromise (or suspected compromise) of personal information.**

No Price Change for Fed/State e-file. While most practitioners agree that the new tax forms and laws will create a new set of challenges this season, the more significant impact on our end is the fact that we expect to process fewer Schedule A's, thus negating the need for a price increase for Fed/State e-file. See our literature for pricing details. All of our e-file services include one free state e-file with the Federal. Our price to e-file extra states will be \$20.00 per extra state this year.

Extras. While our company's corporate name remains 800-TAX REFUND, Inc., our new Cuyahoga Falls, OH office will be doing business as 1040Plus™ to reflect our new initiative on expanding the tax preparer-client relationship. Stay tuned for more details on this as the season progresses.

Thanks again for giving us the opportunity to provide you and your clients with tax services and tools that earned us the IRS Industry Partner Award for every year that IRS awarded the distinction. Please do not hesitate to call us at (330) 434-6655 or on our toll-free line if you have any questions.

NOTE: You must have a valid Electronic Filer Identification Number (EFIN) to use our Transmission Services as described below. If you do not have a valid EFIN, your clients can still file their tax returns electronically through 800-TAX REFUND by faxing or uploading their completed tax returns to us, with your office acting as a **Referral Site** -- see our Self-Serve IRS e-file option.



For practitioners preparing tax returns by hand, and for low-volume practitioners preparing tax returns using a software package that does not support electronic filing, you may fax, mail, or deliver your prepared paper tax returns to 800-TAX REFUND to have them filed electronically. Our fee is \$29.95 for data input and transmission of each accepted Federal (and accompanying State) tax return, regardless of the number of forms or schedules attached. IRS regulations permit you, as an authorized Electronic Return Originator, to charge your client whatever you wish for the e-file service.

It should be noted that the electronic filing of the State tax return is optional. Some taxpayers may wish to file only their Federal return electronically. Should the taxpayer choose to file the State return, it can “piggyback” with his or her Federal return (transmitted simultaneously with Federal) at no extra charge. State tax returns can also be filed without the Federal return -- a “standalone” State return would be billed as if it were a Federal return transmission.

Our electronic filing procedures permit you to promise your clients the fastest possible tax refunds: 7 to 14 days for direct deposit; 12 to 19 days for check by mail. Backing up these promises has been our company’s distinction since we began transmitting tax returns twenty-eight years ago, as our guarantee clause in the enclosed Agreement attests. As a participating Electronic Filing site, we encourage you to pass on our guarantee to your clients, affording you a strategy that will distinguish your EF service from your competitor’s.

We must have a signed Agreement from you before you can use our Transmission Services. Please note per the Agreement that we require an \$89.85 non-refundable pre-payment which will be used for payment of your first three e-filed returns of the 2019 tax processing year.

IRS e-file Signature Authorization 2018		Priority Processing Check here if you were referred by your Paid Preparer <input type="checkbox"/>	
© 2019 800-TAX REFUND, Inc. All rights reserved.		Total Pages (incl. this cover)	
<ul style="list-style-type: none"> This form must be completed by the Taxpayer/Spouse. Please include a one-time-use Personal Identification Number (PIN), which will be used as your signature in your electronic tax return. Choose your method of payment at the bottom of the page. Fax or upload this page with your tax forms, W-2s (required), and 1099s (if tax withheld). Fax/Upload info below. Call (800) TAX REFUND or go to www.irs.gov to track the status of your tax return. 		<input type="text"/>	
P R I N T	Your first name and initial	Last name	Your Social Security No. IMPORTANT!
	If a joint return, spouse first name and initial	Last name	

Our Self-Serve e-file is a convenient way for taxpayers to file their self-prepared and professionally-prepared tax returns electronically. It's an IRS e-file Signature Authorization with instructions, enabling taxpayers to complete it and fax or upload their tax forms to 800-TAX REFUND for electronic filing without assistance. It's been a popular service option for practitioner sites that are not authorized IRS Electronic Return Originators – also known as **Referral Sites** – and no contract is necessary for practitioners to participate.

The Electronic Filing service is 800-TAX REFUND's. You can print the Authorization Form off of our web site at www.800taxrefund.com/individuals.html. Clients who wish to file their tax return electronically (Fed and State) simply complete the form, consenting to a charge of \$42.95 payable to 800-TAX REFUND by credit card or account debit. You **may not** complete the Signature Authorization for your client, however, you may review the form with them to ensure that it has been filled out properly and signed. A toll-free number is provided for your client to fax his or her tax return, with the Signature Authorization, to 800-TAX REFUND for electronic filing. No cover sheet is required to accompany the return because the Signature Authorization is machine-readable – it Date/Time stamps the tax return and records the referral source, which would be the paid preparer information on the accompanying tax return. We remit to you, as the referral source, a \$12.50 referral fee for each client return which is faxed or uploaded to us, payable upon completion of the tax season.

Low Priority = Low Price: Our "Low Priority" e-file service has proven to be popular for many balance-due and low-refund clients. Low Priority means we'll take up to ten days to process the return (vs 24 hours with our "Priority" e-file), and there will be no money-back guarantee on refunds which are delayed by IRS beyond our published Electronic Filing Precautions (vs the money-back guarantee on our "Priority" e-file). We remit to you, as the referral source, a \$3.50 referral fee for each \$27.95 Low Priority client return which is faxed or uploaded to us, payable upon completion of the tax season. If 25% of your e-file clients opt for the Low Priority service, you'll realize an overall average referral fee of more than \$10.00 per return.

Other items to note:

- The Low Priority Signature Authorization is not available to the public on our website, practitioners must request it. Call us and we'll email you a link to download the form.
- A \$10 "Complexity Surcharge", associated with more complex Low Priority returns, is authorized by the taxpayer in the Pay Plan section at the bottom of the Low Priority Signature Authorization.
- Our "free State with Federal" policy means one State return. E-filing multi-State returns will be subject to an extra \$20.00 fee for each additional State.
- We do not issue commission checks to practitioners for less than \$20.00.

AGREEMENT BETWEEN 800-TAX REFUND, INC. AND ELECTRONIC RETURN ORIGINATOR

This agreement is by and between 800-TAX REFUND, Inc., an Ohio corporation, and _____, _____, Electronic Return Originator, hereinafter referred to as the "ERO."

DEFINITIONS.

ELECTRONIC RETURN ORIGINATOR provides the E-file Signature Authorization, on paper or in electronic format, to taxpayers for the purpose of having electronic tax returns transmitted by 800-TAX REFUND, Inc.

800-TAX REFUND, Inc., is a transmitter of electronic tax returns.

TAX RETURN is an individual income tax return for the calendar year ending December 31, 2018 as is required to be filed with the Internal Revenue Service, on Form 1040, along with appurtenant schedules and attachments, including State income tax forms.

IRS is the Internal Revenue Service of the United States.

PATRON is any member, customer, client, associate, or employee of the Electronic Return Originator, or any other individual referred by the Electronic Return Originator, who uses the services of 800-TAX REFUND, Inc.

INTENT.

It is agreed by both parties that 800-TAX REFUND, Inc. shall accept individual income tax returns from the ERO or from the ERO's Patrons, beginning January 25, 2019 through November 30, 2019, for the purpose of transmitting said tax returns to the IRS Service Centers.

SERVICES.

800-TAX REFUND, Inc. shall provide the ERO with a written procedure detailing the steps the ERO shall follow in effecting collection, transmission, and processing of tax returns by 800-TAX REFUND, Inc.

In summary, 800-TAX REFUND, Inc. shall:

1. accept individual income tax return information from the ERO or from the ERO's Patron by facsimile transmission or Internet upload;
2. transmit said tax return to the IRS within 24 hours of receipt of the transmission request from the ERO or the ERO's Patron;
3. make available, upon request by the ERO or the ERO's Patron, the IRS transmission acknowledgment report, by mail, facsimile, e-mail, or touch-tone phone.

CONTINGENCY. Performance of the above services is contingent upon the ERO or the ERO's Patron having provided individual income tax return information that is error-free and in accordance with IRS guidelines as set forth in IRS Publication 1345. If an error on an already-prepared facsimile tax return is discovered prior to transmission, then 800-TAX REFUND shall contact the ERO to advise the ERO of the error, and, in accordance with IRS Publication 1345 guidelines, may require the ERO to resubmit a revised tax return prior to transmission. Should transmission of an already-prepared facsimile tax return from the ERO result in a rejection acknowledgment from IRS, then 800-TAX REFUND shall contact the ERO to advise the ERO of the error(s) which caused rejection of said tax return, and the ERO or the ERO's Patron may resubmit a revised tax return prior to re-transmission in order to avoid forfeiting the electronic filing fee.

In summary, the ERO shall:

1. provide the E-file Signature Authorization, on paper or in electronic format, for ERO's Patron to complete for the purpose of having the Patron's tax return filed electronically; and
2. fax said tax return information to 800-TAX REFUND, Inc. for Patrons who choose not to fax tax return information directly to 800-TAX REFUND, Inc. or who choose not to upload data via the Internet; and
3. receive, upon the ERO's request, the IRS acceptance or rejection acknowledgment corresponding to said tax return(s)

The ERO is responsible for following the procedures set forth by IRS and 800-TAX REFUND, Inc., and for obtaining all necessary information and documents in order to effect the filing of the Patron's tax return.

FEES.

800-TAX REFUND, Inc. shall be paid a fee as follows for each tax return filed electronically:

PAPER TAX RETURNS FROM IRS-REGISTERED ERO : \$29.95 for each tax return filed electronically.

REFERRAL SITE RETURNS : Whereupon 800-TAX REFUND, Inc. receives a fee of \$42.95 directly from the ERO's Patron for electronically filing the Patron's already-prepared "Priority" tax return, it shall remit to the ERO the amount of \$12.50 for each "Priority" tax return processed. Whereupon 800-TAX REFUND, Inc. receives a fee of \$27.95 directly from the ERO's Patron for electronically filing the Patron's already-prepared "Low-Priority" tax return, it shall remit to the ERO the amount of \$3.50 for each "Low-Priority" tax return processed.

GUARANTEE.

Should ERO's Patron using a) 800-TAX REFUND's "Priority" e-file service, or b) 800-TAX REFUND's e-file transmission service initiated from IRS-registered ERO, not receive his/her income tax refund within IRS's 21-day expected direct deposit/check mailing timeframe, then Patron's tax return shall be filed electronically for free. This guarantee does not apply to delays or non-receipt of refund caused by:

1. one or more of the nine (9) conditions outlined in IRS Publication 1346 (Rev. 10-12), REFUND DELAY CONDITIONS, Section 6.01, a copy of which is attached hereto; or
2. the Patron's tax return being delayed by IRS due to confirmed or suspected Identity Theft, or being selected by IRS for Compliance Review, Earned Income Credit Review, or Additional Child Tax Credit Review; or
3. a Patron-initiated or ERO-initiated tax return error or omission; or
4. acts of God, war, and natural catastrophes beyond the control of 800-TAX REFUND, Inc.

LIMITS OF LIABILITY.

800-TAX REFUND, Inc.'s liability shall be limited to a) the amount of the fee charged by 800-TAX REFUND, Inc. for transmitting the Patron's tax return, and b) the amount of the penalty and/or interest initially assessed to the Patron by a Federal or State tax authority for any income tax underpayment resulting from an error or omission on the part of 800-TAX REFUND, Inc. Furthermore, 800-TAX REFUND, Inc. shall not be responsible for any consequential damages suffered by the Patron or the ERO as a result of the Patron failing to receive his or her income tax refund by the time expected. There are no consequential damages in the minds of the parties.

OTHER.

Parties to this Agreement are independent contractors. The parties expressly acknowledge and agree that it is not their intention or purpose hereunder to create, nor shall this Agreement be construed as creating any type of partnership, joint venture, employer/employee relationship, franchise, or agency between the parties. Neither party has authority to act or attempt to act, or represent itself, directly or by implication, as an agent of the other in any matter, or attempt to assume or create any obligation on behalf of or in the name of the other.

IN WITNESS WHEREOF the parties have executed this agreement on this _____ day of _____, 2019.

ELECTRONIC RETURN ORIGINATOR

800-TAX REFUND, Inc.

(Signature)

(Signature)

by: _____
(print Name & Title)

by: Joel T. Dimengo, President
2775 Front Street
Cuyahoga Falls, OH 44221
Phone: (330) 434-6655
Fax: (330) 434-8130

Company Name

Address

City State Zip

Phone

Fax

E-mail

EFIN
(attach PY 2019 validation letter)

PLEASE INDICATE YOUR SERVICE OPTION (S) :

<input type="checkbox"/> I PLAN TO SUBMIT PAPER TAX RETURNS AS AN IRS-REGISTERED ERO USING MY EFIN. ENCLOSED IS MY \$89.85 NON-REFUNDABLE ADVANCED PAYMENT FOR MY FIRST THREE E-FILED RETURNS OF 2019 <input type="checkbox"/> I PLAN TO SUBMIT PAPER TAX RETURNS AS A FAX REFERRAL SITE FOR 800-TAX REFUND, INC.
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SECTION 6 - CRITERIA FOR FILER FRONT-END CHECKS

.01 Refund Delay Conditions

The following conditions may delay the refund and/or change the refund amount.

1. Taxpayer owes back taxes, either individual or business (refund offset).
2. Taxpayer owes delinquent child support (refund offset).
3. Taxpayer has certain delinquent federal debit, such as student loans, etc. (refund offset).
4. The last name and social security number of the primary taxpayer must be the same as on last year's return or the return will be delayed at least one week for re-matching.
5. The Estimated Tax payments reported on the return do not match the Estimated Tax payments recorded on the IRS Master File. This generally occurs when:
 - a. The spouse made separate Estimated Tax payments and filed a joint return, or vice versa; or
 - b. The return was filed before the last Estimated Tax payment was credited to the account.
6. The taxpayer has a Schedule E claiming a deduction for a questionable tax shelter.
7. The taxpayer is claiming a blatantly unallowable deduction.
8. The taxpayer is considered to be a first-time filer. A first-time filer is defined as an taxpayer who has not filed a tax return as a primary or secondary taxpayer during the previous ten years.