

Mileage Release Statement:

Over the years we have had lots of discussions with clients about what mileage can be deducted and what mileage cannot be deducted. We have represented clients in audit who did not understand the difference when we prepared their returns, and when they were audited, they could not provide the required documentation. It is for this reason, to make sure we are stating the same information consistently to each client, that we ask you to read and sign the following with regard to the mileage you are claiming on your tax return as a deduction.

Acknowledgement:

I understand mileage has a high chance for audit, and if audited, I will need to supply detailed records to support any mileage deduction I may claim. I state the mileage information I have provided is accurate to the best of my knowledge and ability. I understand that I am required to track all business mileage recording the date, the miles driven, and the business purpose in order to claim this as a deduction on my taxes and that I will need to support the total miles driven on my vehicle, such as odometer readings on repair/maintenance invoices. I understand that commute is not a deductible expense for mileage. Commute is considered driving from my home to my place of work, and if I do not have a regular place of work and do not have a bona fide home office, all of my mileage from my home to my first business stop of the day is considered commute. I understand commute has no relevance to distance. If I live in the Central Valley and choose to work in the Bay Area, my drive to the Bay Area is still a nondeductible commute.

I will not hold All About Numbers liable for the information I have asked them to put on my tax return with regard to my mileage deduction.

Signature

Name

Date

This applies to employees, landlords, business owners and anyone else who would claim a mileage deduction. As of 2018 tax returns, Congress has eliminated completely the ability to deduct ANY **employee** unreimbursed expenses, including mileage, union dues, tools, supplies, uniforms, education and anything else spent in the line of business. If this describes you, please talk to your preparer about what you can possibly do to be able to reduce the impact of this hit. California still allows this deduction as do many other states. Self-employed and landlords can still use this deduction for federal.

1099 Release Statement:

The IRS, the EDD, the FTB, the Labor Bureau, the Contractor's State Licensing Board and a whole host of other organizations are cracking down on both the misclassification of workers as independent

contractors and the “underground economy.” When a worker is misclassified as an independent contractor, they are harmed as they are not covered for worker compensation insurance, state disability, Social Security, Medicare, retirement benefits, medical insurance, overtime, minimum wage, unemployment or any other employee benefit or labor law. When someone works “under the table” for “cash” without any record, they usually do not report this income for tax purposes. To combat both of these issues, the various government agencies are penalizing employers who misclassify workers and payers who do not issue 1099s. In May 2018, the California Supreme Court ruled the only truly independent contractors are those individuals hired as a business to perform a service for a business without any control from the hiring business, to perform a service that is not an integral part of the hiring business, and that offers and performs the same services for other businesses. In other words, the only independent contractors are businesses. This ruling was fortified by the CA State Legislature AB-5 passed into law. We are asking for the following statements to be acknowledged by our clients who are in a position to pay others as a business, a landlord, or a farmer.

Acknowledgement:

I understand employees are persons who work for me under my control, without regard to how often they work for me or for how long I employ them. In the State of California, I understand there is no “casual labor.” I understand that 1099’s are issued only to businesses, or persons operating as a sole proprietorship business, and not as an optional way to pay employees without paying the legally obligated Social Security, Medicare, unemployment and worker compensation costs. I understand under California law I am subject to a \$10,000 penalty for misclassifying workers as independent contractors when they are in fact employees. I also understand All About Numbers can be charged this fine for not advising me properly of this matter, and I acknowledge this statement is my advisement of this fact.

Furthermore, I understand I am required to issue 1099’s to all persons and businesses (other than corporations, banks or businesses I pay through an electronic means such as credit card or PayPal) that are not otherwise employees if I pay them more than \$600 total in any one year, other than attorneys. Attorneys are to be issued 1099s regardless of the amount paid to them or the business structure under which they are organized. This is true if I am whether or not I am using the amount paid to them as a tax deduction for my rental property, business, farm or trust. I also understand there is a penalty for each instance of failing to provide information returns (including 1099’s). This is a penalty of up to \$530 fined to me if I do not issue 1099’s when I am supposed to do so for each 1099 I do not issue. I also understand my tax return states whether or not I am supposed to issue 1099s and whether or not I actually did. If I do not answer truthfully, I could be subject to even greater penalties. I affirm I will not hold All About Numbers responsible should I not provide truthful answers to these questions.

I acknowledge All About Numbers has informed me of these rules.

Signature _____ Name _____ Date _____