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CERTIFIED PUBLIC ACCOUNTANTS

November 1, 2011

Electronic Filing Policy for 2011 Tax Return Year

Dear Client:

Beginning with returns prepared in 2012, we will be offering electronic filing **for individual and trust returns**. As of now, we will not be offering electronic filing for business clients (corporations and partnerships), except when required by law.

The IRS is exerting more pressure on practitioners and taxpayers to e-file returns, although they do allow a taxpayer to opt out of electronic filing.

Opt-Out Available

Although we will be offering the option to have your individual and trust returns filed electronically, you as an individual taxpayer are **not** prevented from filing on paper if you so choose. The e-file requirement does not apply to an individual income tax return when a client chooses to have the return completed in paper format and the client, and not the preparer, files the paper return with the IRS.

If you chose to file your return on paper under the new rules, you will need to sign an "opt-out" statement in order to elect out of filing electronically. We will include an opt-out statement with your tax organizer. Should you decide to opt-out of electronic filing, please sign that statement and return it to us along with your tax organizer.

If you opt out, we are then required to attach a Form 8948 to your return, "Preparer Explanation for Not Filing Electronically". That form will simply state that you have "opted out".

What if you decide to e-file?

If you decide to have us file your individual and/or trust returns electronically, there are a few procedural items to be aware of.

Before we can transmit your return electronically, we need your authorization. When your return is complete, but before transmission, we will send you a PDF copy of the return along with the

required authorization form(s). You will need to review the return and sign the forms indicating your approval to transmit the tax return.

The PDF copy you receive will become your copy of your tax return. After we receive acknowledgement that your e-filed return has been accepted by the IRS and any applicable states, we will return any paper documentation that you provided to us for use in preparing your return.

Questions?

How does electronic filing work? What are the steps you will need to follow? Should you “opt out”? What is the impact if you do so?

We know this will cause many questions. So we will be hosting several telephone conference calls for our clients in the coming weeks in order to provide an overview of the e-file process and answer any questions you may have. The times and dates are 9:00am to 9:15am (with an additional 10 minutes for questions on the following dates:

- November 22, 2011
- December 31, 2011
- January 11, 2012

We will be emailing you invitations, and instructions on call in before that time.

Clients - Please don't accidentally utilize the unsubscribe feature

We utilize Constant Contact for all our group emails. Their philosophy is that there must be an "unsubscribe" feature for this email. If you choose to unsubscribe, you will no longer receive valuable information which we need to provide to you to ensure that your accounting and tax needs are met.