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THE  
**ACCOUNTING**  
SOLUTIONS GROUP

**Adam G. Chaprales**  
Managing Partner

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*Subject: IRS Form 8027 – 2018 Pre-Processing Preparation*

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We will be compiling the information requirements necessary to complete your IRS Form 8027 Employers Annual Information Return of Tip Income for 2018.

The attached “8027 worksheet” discloses specific information regarding the various related charge sales, cash sales, and tip percentages for your restaurant. This information has been compiled from your sales data for the calendar year ended December 31, 2018.

This is an “information only” return, which all food and beverage establishments are required to file that has an average of 10 or more employees within the calendar year. Accordingly, there is no payment due with this return.

The “charge tip percent” compared to the “cash tip ratio” represents your restaurant’s “Tip Gap” which is recommended by the IRS to be no greater than 2%.

**Accordingly, it is recommended that your “Tip Gap” be continually reviewed and followed up on for any required adjustments with your servers regarding their ongoing reporting of tip declarations with each week’s payroll. In all cases, the IRS guidelines clearly call for declaring 100 % of all tips collected by your servers.**

Please sign the enclosed 8027 form where indicated and mail to the IRS no later than February 28, 2019.

**Mailing address:**  
**Dept. of the Treasury**  
**Internal Revenue Service**  
**Cincinnati, OH 45999**

Please call if there are any questions.  
Thank you,