



COVID-19 Tax Update



Professional services include:

- Tax Compliance
- Audit & Assurance
- Litigation Support
- Estate & Gift
- Succession Planning
- Valuation
- IRS Representation
- Family Foundations
- Bookkeeping & Accounting

Our mission is to provide our clients with exceptional services by taking initiative to be proactive advisors. We pride ourselves in developing tailored strategies to meet the specific needs of our clients.

We have a diverse commercial and individual accounting, auditing, tax and business consulting practice.

Our partners and staff are available to meet the needs of our clients and offer to meet with owners and management periodically throughout the year to discuss plans and to consult on a broad range of financial and business topics.



Tax Relief Provided to Individuals

Tax Filing and Payment Deferral

The filing and payment due date for Federal income tax returns and tax payments (including gift tax returns) is automatically extended from April 15, 2020 to July 15, 2020. This defers the 2019 Income and Gift Tax Return Payments, the 2019 Extension Tax Payment, and the 2020 1st Quarter Estimated Tax Payment. The 2020 2nd Quarter Estimated Tax Payment is still due on June 15, 2020 until further guidance is issued.

Waiver of Required Distribution Rules

Required minimum distributions that otherwise would have to be made in 2020 from defined contribution plans (such as 401(k) plans) and IRAs are waived. This includes distributions that would have been required by April 1, 2020, due to the account owner's having turned age 70 1/2 in 2019.

Retirement Plan Early Distribution Penalty Waiver & Deferral

The additional 10% tax on early distributions from IRAs and defined contribution plans (such as 401(k) plans) is waived for distributions made between January 1 and December 31, 2020 by a person who (or whose family) is infected with the Coronavirus or who is economically harmed by the Coronavirus (a qualified individual). Penalty-free distributions are limited to \$100,000, and may, subject to guidelines, be re-contributed to the plan or IRA. Income arising from the distributions is spread out over three years unless the employee elects to turn down the spread out.

Charitable Deduction Liberalizations

- \$300 above-the-line deduction is allowed for 2020 cash contributions
- The 60% AGI deduction limitation is changed to 100% in 2020. No connection between the contributions and COVID-19 activities is required.

COVID-19 Tax Update



Executive and Family Office Accounting Services

For some businesses and family groups, a fulltime financial accounting specialist may not be practical. We provide a solution: services at your residence or corporate location tailored to meet your needs.

- **Bookkeeping** - from after-the-fact reconciliation of bank statements and recording of transactions to drafting and executing checks, tracking accounts receivable/payable, receiving payments and making deposits for our clients
- **Tax & Payroll Services** - state sales tax reporting, household and corporate payroll services including employee check, monthly reporting, and annual W-2, 1099s, 940 & 941 as well as worker compensation deposits
- **Other Services** - Property management assistance

Tax Relief Provided to Small Businesses

Pension Funding Delay

The CARES Act gives single employer pension plan companies more time to meet their funding obligations by delaying the due date for any contribution otherwise due during 2020 until January 1, 2021. At that time, contributions due earlier will be due with interest. Also, a plan can treat its status for benefit restrictions as of December 31, 2019 as applying throughout 2020.

Technical Correction to Restore Faster Write-offs for Interior Building Improvements

The CARES Act retroactivity treats a wide variety of interior, non-load-bearing building improvements as eligible for 100% bonus depreciation write-off.

Employee Retention Credit & Payroll Tax Payment Deferral

The CARES Act provides eligible employers up to \$5,000 per employee credit if they have experienced a more than 50% reduction in quarterly receipts while continuing to employ personnel. It also provides delayed payment options for the employer portion of certain payroll taxes. The Families First Coronavirus Response Act also provides tax credits to eligible employers and sole proprietors based on categories of personnel impacted by Coronavirus.

This update is being provided based on the information and resources available as of April 9, 2020. This information should be used as a starting point and should be confirmed with your advisors before implementing planning.