



COVID-19 Tax Update – August 18, 2020



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

IRA Required Minimum Distribution Waiver

The CARES Act provides a waiver of required minimum distributions (RMDs) for defined contribution plans and IRAs for 2020. Any amounts already received as RMDs in 2020 may be rolled over into an eligible retirement plan by August 31, 2020.

The CARES Act also provides that the 10% additional tax does not apply to any coronavirus-related distributions of up to \$100,000 made on or after January 1, 2020 and before December 31, 2020.

Employee Social Security Tax Deferral

President Trump signed an executive order allowing for the deferral of the employee portion of Social Security taxes between September 1, 2020 and December 31, 2020. Application of this order and the determination of whether these tax deferrals could be changed to permanent tax reductions is still unclear at this point. The AICPA has written to Congress to get more guidance.

Tax Relief Provided to Small Businesses

Paycheck Protection Program (PPP)

The new Paycheck Program Flexibility Act of 2020 contains several updates to the original Paycheck Protection Program. The loan forgiveness applications should soon be made available by your lender.

- The covered period is extended from 8 weeks to 24 weeks.
- Non-payroll costs can make up 40% of forgivable costs, increased from 25%
- A safe harbor to cure headcount or salary reductions is in place until December 31, 2020.
- For applications made after June 5, 2020 the loan term is increased to 5 years from 2 years.