MATTHEW ACCOUNTING
CPA & BUSINESS CONSULTANTS

Tax Time Tally

Your update for all things tax season

A new tax season

2020 was like no other—an extended tax deadline, tidal waves of PPP rules and changes, forgiveness calculations and working to simply maintain some semblance of normalcy. Because it was a tough year, our team wants to help you prepare early as we face the beginning of a new tax season.

Tax Time Tally represents our new year newsletter—summing up everything you need to know as we enter the 2021 tax season.

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Office updates

• Hours of Operation: Operating hours are Monday through Friday, 9 AM to 5 PM.

• Meetings: For the safety of both clients and staff, we are not offering in-person meetings. If you would like to meet with one of our preparers via Zoom video conference or phone conference, please contact our office at 517-668-9000 to schedule your appointment time.

• For clients that have a Zoom or phone conference meeting scheduled, we ask that you upload, drop off, or mail in your tax information prior to your meeting date, so that we are able to review your documents with you during your scheduled meeting time. If you need assistance uploading to the new portal, please contact our office.

• Tax document delivery: We highly recommend uploading your tax information through your new secure online portal. This is a very safe and convenient way for many clients to send in their information. If you do prefer to drop off, we request that you utilize the drop box out front. Please make sure to place your documents in a sealed envelope or use the plastic folders that will be placed on top of the drop box.

• Pick up: For clients that are receiving a paper copy, we ask that you call our office to arrange for curb side pickup. Upon arrival, we will bring your completed returns and documents out to your vehicle. Please also note, there is a $10.00 fee for paper returns requested prior to completion and a $20.00 fee for those that request a copy after the return has been completed.

Important dates

• February 12: The IRS has announced that we cannot start filing individual returns until the February 12. While this is later than normal, we ask that you please send your tax documents to us as soon as possible, in order to meet the deadlines.

• March 15 / April 15: As of now, the tax deadlines for 2020 are March 15 for Partnership & S-Corporation returns and April 15 for Individual and Trust/Estate Returns.

Important tax updates

• Stimulus Payments: If you received a stimulus payment for either Round 1, Round 2, or both... you must relay the accurate amount of the stimulus received or return the IRS Forms 1444 (first stimulus) or 1444-B (second stimulus). The IRS forms should be mailed in late January or early February. The stimulus payments are not taxed, but if you qualify for more than you received, it will be added to your 2020 Tax Return.

• Unemployment: Unemployment benefits received are taxable. If you received unemployment during 2020, you will receive a 1099-G from the state. This form will be needed to complete your return.

• Retirement Distributions: 2020 allowed individuals to cash out retirement plans and pay back 1/3 each year and not be taxed or penalized. If you did this, please wait for the 1099-R from the payer.

• Required Minimum Distribution (RMD): There is no RMD for 2020. If you took the RMD and returned it, please make sure your tax documents received from your broker for 2020 are correct for the money that was received and not returned.

• 529s may be used now for grades K-12, private, or religious schools up to $10,000.

• IRA contribution maximums remain the same for 2021.

• Roth income limits for 2021 for Married Filing Jointly (MFJ) starts at $198,000 and ends at $208,000 for Modified Adjusted Gross Income (MAGI).

• 401K limitations for employee contributions remain at $19,500 for 2020.

What you get with audit protection

Working with the IRS is one of our specialties. Put our expert team to work for you to handle all IRS notices and letters and represent you on both the state and federal levels—up to appeals and/or litigation. With our audit protection service, experience:

- Peace of mind—Sleep well knowing that your trusted advisor has you covered.
- Time savings—Eliminate the hours required to translate IRS notifications and letters.
- Stay focused—Let our team manage your audit so you can stay focused on your business.

For more information on our audit protection services, call our office.

Questions?

If you have questions regarding items you may need to gather for your tax return, or have other tax related questions, please call our office at (517) 668-9000.

We look forward to assisting you this tax season!

The Matthew Accounting Team

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