

There are more important things than your tax returns and your health is the very first one!

Please follow the recommendations of the CDC and your state and local health officials.

Your health, your family's health and my staff's health are foremost in mind with my decisions. Unfortunately, you can expect that the way we serve you may be a bit different under these unusual and serious circumstances along with some delays. I appreciate your patience and cooperation. We will not be meeting face to face with clients until at least Monday April 6th, 2020.

We have now been able to confirm from IRS, PA Department of Revenue and local EIT' Collectors some of the tax due dates.

Stimulus Checks - At this writing, it appears that Congress has reached an agreement on stimulus checks and if passed will be signed by the President. We have no information on how the stimulus checks would be handled. We advise taxpayers to not assume they will receive a check until they do.

SCAMS – There are already reports of scams related to the corona virus. These range from cures, how to get your stimulus check, special taxes or penalties you supposedly owe, etc. – the usual scum who prey on our concerns and fears. Do not provide your personal information to any unsolicited requests by telephone, email, internet or any door to door contacts.

Due Dates 2019 Returns

Federal, Pennsylvania and most EIT Tax Collector due dates have been changed to July 15, 2020. Payments made by the July 15, 2020 deadline will be without interest and penalty.

Due Dates 2020 Estimates

First estimates for Federal, PA and EIT usually due April 15, 2020 are now due July 15, 2020.

Second estimates due June 15, 2020 are due on their original due dates – not July 15th as we originally reported. I apologize for that error and will inform you if that changes.

Individual Retirement Account and Health Savings Account Contributions

The IRS has clarified that 2019 contributions to IRA, ROTH IRA and HSA accounts are required to be made by the due date of 2019 returns – that is NOW July 15th 2020. This changed from my original assessment.

Employer contributions - including those of self-employed individuals –to a 401(k), SEP or other retirement plans. Typically, these contributions must be made by the due date of the return including extensions. IRS has clarified and it will be the due date of the 2019

return of July 15th 2020. For personal returns this due date can be extended to October 15, 2020 – thus extending the date these contributions must be made.

Extensions If you file for an extension on or before July 15th 2020, your personal returns will then be due October 15, 2020. But remember interest and penalty will begin on July 16th. So best to pay as much or all of your expected balance due along with the extension.

Early Filing Although you may delay filing your returns to the new due date – if you are due a refund filing sooner than later makes sense. This is particularly important for those who are We are in the process of identifying our clients that typically receive refunds and prioritizing those returns. Pennsylvania, Berks EIT and Berkheimer EIT have indicated they will honor the IRS date.

Required Minimum Distributions –Taxpayers who turned 70½ during 2019 must start receiving required minimum distributions (RMD) from individual retirement accounts (IRAs) and workplace retirement plans by April 1, 2020. The special April 1 deadline only applies to the required distribution for the first year if you did not take your RMD in 2019.

Credits available

There are two new refundable credits for small and midsize employers (less than 500 employees under the *Families First Coronavirus Response Act*:

Paid Sick Leave Credit - For an employee who is unable to work because of COVID-19 quarantine or self-quarantine or has COVID-19 symptoms and is seeking a medical diagnosis, eligible employers may receive a refundable sick leave credit for sick leave at the employee's regular rate of pay, up to \$511 per day and \$5,110 in the aggregate, for a total of 10 days (up to 80 hours).

For an employee who is caring for someone with COVID-19, or is caring for a child because the child's school or child care facility is closed, or the child care provider is unavailable due to COVID-19, eligible employers may claim a credit for two-thirds of the employee's regular rate of pay, up to \$200 per day and \$2,000 in the aggregate, for up to 10 days (up to 80 hours). Eligible employers are entitled to an additional tax credit determined based on costs to maintain health insurance coverage for the eligible employee during the leave period.

Child care leave credit

In addition to the sick leave credit, for an employee who is unable to work because of a need to care for a child whose school or child care facility is closed or whose child care provider is unavailable due to COVID-19, eligible employers may receive a refundable child care leave credit. This credit is equal to two-thirds of the employee's regular pay, capped at \$200 per day or \$10,000 in the aggregate. Up to 10 weeks of qualifying leave can be counted towards the child care leave credit. Eligible employers are entitled to an additional tax credit determined based on costs to maintain health insurance coverage for the eligible employee during the leave period.

Using these credits Under guidance that will be released next week, eligible employers who pay qualifying sick or child care leave will be able to retain an amount of the payroll taxes equal to the amount of qualifying sick and child care leave that they paid, rather than deposit them with the IRS.

The payroll taxes that are available for retention include withheld federal income taxes, the employee share of Social Security and Medicare taxes, and the employer share of Social Security and Medicare taxes with respect to all employees.

If there are not sufficient payroll taxes to cover the cost of paid qualified sick and child care leave, employers will be able file a request for an accelerated payment from the IRS. The IRS expects to process these requests in two weeks or less. The details of this new, expedited procedure will be announced next week.

New Tax Law

The legislation that is apparently about to pass will undoubtedly contain other new provisions – we will keep you posted as we know more about the law as and when passed and signed into law.

Undoubtedly there will be other changes related to this pandemic – we will endeavor to keep you updated as things progress.

Following are some links to websites that may provide useful information:

IRS <https://www.irs.gov/coronavirus>

IRS FAQ <https://www.irs.gov/newsroom/filing-and-payment-deadlines-questions-and-answers>

PA Department of Revenue <https://www.media.pa.gov/Pages/Revenue.aspx>

PA State Government <https://www.pa.gov/guides/responding-to-covid-19/>

Small Business Administration <https://disasterloan.sba.gov/ela/>

I urge you to remain vigilant for changes that affect both you and your taxes.

Please feel free to contact me with any questions or concerns.

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This pandemic will affect each and every one of us. We pray that none of us contract the virus or if we do the effects will not be severe. For the physical aspects of the Corona Virus ‘an ounce of prevention is worth a pound of cure.’

Many of the side effects will be will be financial.

Thanks for your patience, but most important please stay safe and healthy!