



IRS Extends Deadline, Among Other Changes

The Internal Revenue Service and all but 2 states at the time of this article have extended the 2020 tax filing AND payment deadline to May 17, 2021. This is to assist taxpayers with some of the tax changes referenced in our previous AVMD News as well as some retroactive changes from March, 2021. The extended due date applies to individual income tax returns and to 2020 contributions into retirement plans such as IRAs, SEPs, and others. It should be noted that calendar year 2020 trust, estate and other fiduciary income tax returns are still due April 15, 2021. That deadline has not been extended. If you are not ready to file within these new deadlines, you can always apply for an extension of time to file until the fall.

The IRS did not however extend the time for making your 2021 1st Quarter estimated tax payment. Your Q1 2021 estimated tax payments are due April 15, 2021. It is quite conceiva-

ble for many to need to make tax payments three consecutive months if you consider that the 2021 2nd Quarter estimated tax payment is due June 15, 2021.

There are a number of changes which deserve mention affecting both individuals and businesses.

- In early March, 2021, the IRS has exempted from 2020 federal income tax the first \$10,200 of unemployment benefits paid to an individual, provided that the taxpayer(s) have less than \$150,000 of income. New York State has recently indicated that no such exemption from state income tax would apply.

- There was another round of Recovery Rebate payment made available to qualifying individuals in the amount of \$1,400 (\$2,800 for married taxpayers filing jointly) plus \$1,400 for each dependent. The IRS is presently in the process of rolling

out these payments.

- For 2021, there have been increases in the amount allowable for the Child Tax Credit. The credit has been increased to \$3,000 per child (\$3,600 for children under age 6) and is subject to phase out based upon income limitations.

- For businesses, the federal government announced additional COVID Relief in the form of a second round of funding under the Paycheck Protection Program (PPP) for qualifying entities. The deadline to apply for this relief was extended to May 31, 2021,

previously March 31st.

- In addition, there has been additional funding provided for the Economic Injury Disaster Loan (EIDL) to allow qualifying entities to borrow up to \$500,000, previously \$150,000, which is administered by the Small Business Administration (SBA). The SBA has also deferred payments on first draw EIDL Loans from 2021 to 2022.

- The Employee Retention Credit, applicable to qualifying employers, has been extended through December 31, 2021.

At the Office

We've missed you!

Part of what we do as a firm is to develop and maintain strong relationships with our clients, our vendors and our extensive network.

The pandemic has made this more challenging for all of us. But with the use of technology, we have managed to survive and thrive in these trying times.

We are encouraged that very soon, we will be able to have you back to the office and to see your smiling faces.