



News and Tax Tidbits

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Happy Belated New Year! This newsletter comes to you later than normal and please accept our apologies. The passage of the Covid-19 Relief package at the end of the 2020, left most tax professionals scrambling to find out the contents of the package and how it would relate to their clients. I was honored to be asked to present a webinar to other tax professionals and preparing and presenting time away from you. Thank you all for your patience.

Sending out this latest stimulus or Economic Impact payment caused the IRS to delay their e-filing season this year. 2020 tax returns can begin being filed on February 12, 2021. That is 2 weeks later than normal. This should not prohibit you from making appointments at all. Your return will be held until we can e-file. However, it can push back refunds for you early filers. And, if you are thinking, "Let's just mail the returns." Not really a good option, they are behind in paper returns from last year still. Yikes!

We have always strived to not catch anyone off-guard with pricing. There will be a pricing increase this year of 10-20% depending on the complexity of the tax situation. If you have any questions on how this will impact your tax prep costs, please reach out.

Let's turn the conversation to the options Family Tax Solutions is providing its clients to have their returns prepared as many of you have already shared a preference.

Here is the current policy:

1. **In Person Appointments**: will continue for anyone who would like to meet in-person.
 - A. I will be wearing a mask to protect anyone who comes into the office.
 - B. I will sanitize between all clients and allow a larger buffer between appointments.
2. **Virtual Appointments (Phone, Electronic or Video Conference)**: options are available to anyone who would like to not meet in-person.
 - A. I have an existing secure portal on my website that is safe for the transfer of tax documents. If you prefer, you may fax to the number listed above. Avoid email as it is not a secure place for your Personally Identifiable Information (PII)
 - B. We can interview/chat in one of the methods listed above.
 - C. Payments and Tax Returns signatures will have a virtual option, as well

If you would like a combination of any of these options, I am flexible. My goal is to make your tax preparation the best experience it can be in light of the current pandemic. I look forward to another great year of being your source for all things income tax related.

Best Regards,
Robin Gervais Enrolled, Agent

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Secure Portal and Appointment Calendar available on the Client Resources page.

2020 Tax Update



- ⇒ **Standard Deduction:** Standard Deduction
S-\$12,400: HH-\$18,650: MFJ-\$24,800
- ⇒ **Economic Impact Payment (AKA Stimulus)**
Cares Act: \$1,200 S/HH/MFS \$2,400 MFJ \$500 dependent under 17
Covid 19- Relief: \$600 S/HH/MFS \$1200 MFJ \$600 dependent under 17
This payment is an advance payment to be reconciled on your 2020 tax return as the **Recovery Rebate Credit**.
I will need to know how much you have received for each of these payment.
 - Limitations based on income \$75,000 S/MFS; \$112,500 HH \$150,000 MFJ
 - If you did not receive as much in the Economic Impact Payment, you may receive more based on your 2020 tax return.
 - If you received too much, you will not have to pay it back.
 - If you did not receive any at all, you have an opportunity to still receive it as a refundable credit as long as your liability on the tax return does not exceed credits.
- ⇒ **Charitable Contributions:**
 - No Itemization:** \$300 MFJ/S/HH and \$150 MFS deduction for cash to a qualified charitable organization.
 - Itemizers:** 60% limitation increased to 100% contribution max of AGI
- ⇒ **Earned Income Credit Lookback:**
Covid 19-Relief allows you to opt into the earned income from 2019 instead of 2020 if there would be a more favorable amount of Earned Income Credit.
- ⇒ **Deduction for Medical Expenses** will remain at 7.5% for tax year 2020.
- ⇒ **\$250 Educator Deduction** includes PPE for expenses after March 12, 2020
- ⇒ **No Change, the following is still eliminated:**
 - Miscellaneous Deductions subject to 2%:** Has been eliminated. You cannot deduct employee related expenses, tax preparation, investment expenses, etc.
- ⇒ **NEW for 2021 Businesses can deduct 100% of Ordinary and Necessary Meals purchased at a restaurant.**

Withholding Check-up

The IRS and the State of Idaho have continued to update their tools to allow for better withholding during the year.

For the IRS: <https://www.irs.gov/individuals/tax-withholding-estimator>

For Idaho: <https://tax.idaho.gov/i-2033.cfm>