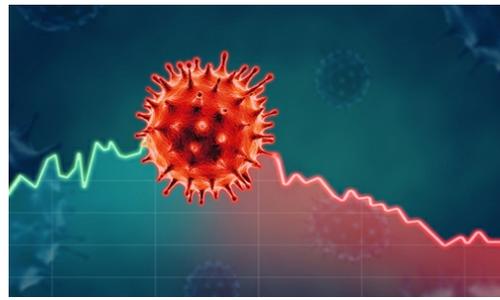


**CARES Act
and other
COVID-19
Relief Matters
Related to Individuals**



March 31, 2020

Dear Valued Client,

As the COVID-19 pandemic continues to affect us locally, nationally, and globally, we are working to stay informed on the matters impacting you. We continue to prepare and file tax returns, as well as provide business consultations and accounting services, without in-person meetings. Our office remains open for drop off and scheduled pick up of materials that cannot be provided electronically.

Digital Tax Return Options: To upload documents, go to pittscca.com, Client Upload. If not already receiving your e-file authorization request by digital signature, let us know if that is a better option for you.

In an effort to keep you informed during this time of uncertainty and hardship for many, below are what we see as the key points for small business from recent relief efforts.

**Individual
Stimulus
Payments**

Stimulus checks are being processed and mailed based on 2019 or 2018 tax return, or SS benefit statement if no tax return is filed/required. The checks are \$1,200 per individual or \$2,400 if married filing jointly plus \$500 for each child under the age of 17 with phase out of eligibility when AGI exceeds \$75,000 (if individual/ \$150,000 if married). [Click here to access the calculator](#) created by the Washington Post. If otherwise not required to file a tax return, the IRS will have a simple form to submit on irs.gov (not yet available). In addition, if the IRS does not have your banking information, or it has changed, the IRS will provide a way to provide that information @ irs.gov. Although these payments are advance payments of a credit to be computed on your 2020 tax return, it is our understanding that these advances will not be required to be paid back should 2020 income increase above the threshold. Nonresident aliens and dependents claimed on someone else's return are not eligible for the stimulus payment. Those who do not qualify based on their 2019 (or 2018) income, but will qualify for 2020, will not receive the advance but will be able to claim on their 2020 tax return. [See IRS.gov additional information.](#)

SBA Loans

Homeowners/Renters may apply for mortgage/rent assistance from the SBA. They should register with the Federal Emergency Management Agency (FEMA) to obtain a FEMA Registration ID Number by calling 1-800-621-3362 prior to applying for an SBA loan. To apply, [click here.](#)

**Key Tax
Provisions
for
Individuals**

Required Minimum Distribution Requirements Suspended

- Temporary suspension for 2020 of required minimum distributions from certain plans & accounts.

Retirement Plan Distributions and Loans

- Eligible "Coronavirus-related distribution" of up to \$100K in the year 2020 free from penalty
- Loan limits from plans increased from \$50k to \$100k until late Sept 2020.

Charitable Contributions

- Non-itemizers can take "above-the-line" deduction for cash contributions up to \$300 to certain qualified charities
- Limit on charitable contributions increased for 2020 from 60% to 100% of the taxpayers AGI (adjusted gross income), with any excess carried forward for 5

years.

Employer Payment of Employee Student Loan Debt

· Employer payments up to \$5,250 of employee's student loan excluded from income from taxpayer.

Extended Filing & Tax Payment Deadline

· Filing & payment of tax due is deferred from 4/15/20 for individuals, Trusts/Estates, & Gift taxes to 7/15/20. No form is required. You may also file the return prior to 7/15/20 & schedule the payment for any time up to 7/15/20.

· Payment of 1st quarter 2020 estimated payment due 4/15/20 is extended to 7/15/20. Note: estimated payment due 6/15/20 has *not* been deferred.

No form required. [See IRS Extended Deadlines](#) for additional information.

Other Key Provisions

Unemployment benefits enhanced, and qualification requirement decreased. In addition, benefits have now been extended to part time employees and self-employed individuals and independent contractors.

Foreclosure on federally backed mortgages banned through mid-May, and a four-month ban on evictions by landlords who rely on federal housing programs.

IRS Collections Relaxed allowing taxpayers under existing installment agreement(s) to defer payments due from 4/1/20 – 7/15/20, although interest will accrue. Liens and levies (including any seizures of a personal residence) initiated by field revenue officers and automatic, systemic liens and levies will be suspended during this period.

Let us know if we can be of assistance to you as we navigate this uncertain time together.

Wishing you health and peace of mind,

Linda & Brandon Pitts
Pitts & Pitts