

## **FIVE THINGS TO KNOW**

- 1) The IRS has moved the 2020 filing deadline for **personal taxes only** to 5/17/2021.
  - a. Any balance due for 2020 is also due 5/17/2021.
  - b. If you have not made your IRA or HSA deposits, you have until 5/17/2021.
  - c. If you need an extension it needs to be postmarked by 5/17/2021. Follow this link for the form <https://www.irs.gov/forms-pubs/about-form-4868>
- 2) Economic impact payments (EIPs) they are **not** taxable to the federal or most states (always verify your state conformity). There were 3 payments 2 applied to 2020 and the latest applies to 2021 taxes.
  - a. If you did not receive your EIP due to having too much income in 2018 or 2019 you may be eligible for it on your 2020 return.
  - b. If you received it based on 2018 or 2019 income and your income increased in 2020 you do not have to pay it back.
  - c. They have been issued as a prepaid debit card instead of direct deposit or a paper check.
- 3) If you received unemployment benefits and your income is less than \$150,000 you can exclude up to \$10,200 of it from income.
  - a. If your return was filed prior to the change in the law and the unemployment was not excluded the IRS will adjust your return they do not want us to file amended returns.
  - b. Unemployment is not taxable in some states so this will not affect your state return, in the states it is taxable verify conformity with the state.
- 4) If you are waiting for a K-1 from a partnership or S-Corp do not be surprised to wait a bit longer if the business received a Paycheck Protection Loan (PPP).
  - a. Congress passed legislation that allows the company to deduct the expenses paid with the PPP funds even if loan is forgiven.
  - b. Some states conformed other did. For instance CA did not but now has legislation that will change this if passed.
- 5) Quarter 1 estimated payments are due Thursday 4/15/21 for both the IRS and FTB.
  - a. To pay the IRS you can use this link and pay electronically <https://www.irs.gov/payments/direct-pay> The mailing address has changed for many.  
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