

MERCER ISLAND ACCOUNTANTS

Winter 2021 Newsletter

WELCOME TO TAX
SEASON 2020!

WE ARE A PREMIERE CPA
FIRM COMMITTED TO
PROVIDING
PERSONALIZED
ATTENTION AS YOUR
*TRUSTED ACCOUNTING
PARTNER.*

TALK TO OUR EXPERTS!
206-281-9444



HAPPY NEW YEAR 2021!

Our clients have kept our spirits bright and we wish you the best of health during this unprecedented time.

- 2nd CARES Act Stimulus Checks Approved
- \$285B Approved for PPP Business Loans
- Tax Season 2020 is here!
- IRS Letter in the Mail?

2nd Stimulus: \$600 Checks via Tax Return Direct Deposit Approved

Where's My Stimulus Check? If you or your dependents did not receive the first Economic Impact Payment stimulus (up to \$1,200 for individuals) you can claim a **Recovery Rebate Credit** on your 2020 tax return. This will increase your tax refund or lower the amount of taxes owed.

Our tax professionals will reconcile 2020 returns for eligible clients using IRS Notice 1444 and *new* IRS forms to get your stimulus payment.

CONGRESS APPROVES \$285B FOR NEW PPP LOANS IN 2ND COVID-19 RELIEF STIMULUS

Q: Can my business apply for a PPP loan in 2021?

A: Yes! The SBA Paycheck Protection Program has been refunded with \$285 billion for loans providing economic assistance for U.S. businesses.

Good news! Even if you received a PPP loan in the first stimulus, you may qualify (*see details) for a *new* Paycheck Protection Program loan as part of \$285 B to fund small businesses like yours. Your loan could likely be forgiven and *now* you can **deduct expenses on your 2020 taxes**. You may need an expert CPA to navigate the rules regarding loan forgiveness.



Contact Us

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PPP Consultation We offer consultation services for the Paycheck Protection Program (PPP) to help clients determine loan forgiveness and tax implications. Discover how the PPP impacts your business and schedule a consultation with our owner, Mimi Pangallo, CPA.

TAX SEASON 2020 IS HERE!

Look for our secure email in January with your **2020 Tax Organizer and Engagement Letter** – *we are going virtual this year!* Our professionals are ready to implement new IRS tax laws, like the \$300 charitable deduction that does *not* require you to itemize. We also offer clients new ways to pay for services via credit card or direct banking.

Sign in to **SmartVault**, our secure file sharing system, to upload your 2020 tax documents. *New to SmartVault?* We will send you an invite link. *Prefer to drop off your docs?* To ensure your health and safety (per CDC Guidelines), our office provides clients with masks and hand sanitizer.

*Schedule a 2020 Tax Meeting via **Zoom!*** Call 206-281-9444 or email Serena@mercercislandaccountants.com

IRS LETTERS SENT TO TAXPAYERS WHO FILED EXTENSIONS OR AMENDED RETURNS

Concerned about a letter from the **IRS** saying you “owe taxes” or your tax return was not received? Even with the newly approved e-file for amended returns, the IRS is not always acknowledging receipt. If you received a letter from the IRS, don’t worry—the IRS is still experiencing a backlog. We are here to confirm your tax return was indeed filed.

2020 Income Tax Deadline may be extended due to **COVID-19**, but until the IRS notifies us, we suggest planning *now* to meet the April 2021 deadline. Let’s get your 2020 return filed on time or even early this year!

* **Eligibility - 2nd PPP Loan:** The Second Draw of PPP loans are available to borrowers that previously received a PPP loan. Second PPP loans are limited to businesses that (i) employ no more than 300, (ii) have used the entire amount of their first PPP loan or will use such amounts, and (iii) had gross receipts during Q1, Q2 or Q3 2020 that were at least 25 percent less than the gross receipts from the same quarter in 2019 (applicants may use Q4 2020 if they apply after January 1, 2021). Limitations for Second Draw loan eligibility do not apply to first-time borrowers.

Mercer Island Accountants *provides expert accounting services and will customize a plan just for you!* Ask about our *Value Pricing Packages*. We understand federal, state, and local tax laws to get you the best return. Visit www.mercerislandaccountants.com for more information or to schedule a consultation.