



The Bottom Line

Schedule Your Appointment Online
www.thebottomlineinc.net

JANUARY 2021

- 4116 Houghton St. Phila. Pa 19128
- Year round tax services
- Tax Strategist
- Business Coaching
- Business consulting, growing your business, start-up plans, strategic tax planning and seminars
- Online bookkeeping
- Payroll services
- Business & Personal consulting
- Walter M. Moyer, President

Tax Season Appointment Hours

All appointments via phone or Zoom

Mondays
1:00PM to 5:00PM

Wednesdays
1:00PM to 5:00PM

Saturdays
(starting in February)
1:00PM to 5:00PM

Website
thebottomlineinc.net

Phone
215-238-0230

Fax:
215-701-7538

2020 is Over! but the 2020 tax season has just begun

2020 had many changes for all of us thanks to the Coronavirus. Not only were there changes to the way we live our lives, but there were changes to 2020 tax filings. We have attended multiple Zoom educational meetings with the IRS, Pennsylvania Department of Revenue and our local Tax associations. Even as we move into 2021, our relationship with 2020 will continue to be complicated, but we are prepared to help you navigate tax part of the relationship.

We will be doing all our appointments through Zoom or on the telephone. For the safety of you and the safety of myself and Carolyn all our meetings will be virtual. I have installed a drop box that has a lock on that you could drop your documents off anytime at our office. Make sure your documents are in a sealed envelope before putting them in the drop box. We continue to have a secured client portal where you can upload your scanned documents and

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Updates for Tax Year 2020

Individuals

- The standard deduction for 2020 increased to \$12,400 for single taxpayers and 24800 for married filing jointly taxpayers
- The income tax brackets increased in 2020 to account for inflation
- Individual taxpayers are now permitted to deduct up to \$300 in charitable contributions in addition to a standard deduction. Cash contributions only.
- If you were sent home to work remotely you cannot deduct the cost of office in your home. Only self-employed individuals can deduct home office.
- If you received a stimulus check, the good news is it's not taxable. It is being treated like a refundable tax credit. Translation: your stimulus check is sort of like an advance on money you had received anyway as a part of your tax refund in 2021.
- Unemployment benefits are taxable.

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The locked drop off box (above) and secure pick up box (below) on our porch at 4116 Houghton Street, allow you to securely leave your tax documents and pick up your completed tax returns while still social distancing



The Bottom Line Deadlines

Keep track of these dates to make sure your tax returns are filed on time.

- **January 22** - All businesses and individuals who file 1099s for independent contractors should get us information so we can file the required documents by the January 31 deadline. **The IRS issues penalties for filing late 1099s.**
- **February 28** - All corporations and partnerships should send us tax documents and financial records for 2017 so we can file returns by the March 15 deadline
- **March 31** - Last day of scheduled appointments.
- **March 31** - Individuals and couples who give us all their tax documents by this date will have their returns done by the filing deadline. We still accept clients after March 31, but, depending on how complicated your taxes are, an extension may need to be filed.
- **April 15** - Tax filing deadline for federal, state and local individual returns. All tax liabilities due must be paid today. **Our office closes at 5:00 and will not reopen until May 1st**

2020 Tax Season has Begun

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spreadsheets (<https://thebottomline.securefilepro.com/>). And we still have our fax number (215-238-0230). You are always welcome to send us your documents that way.

I'm asking returning clients to get me all your tax documents at least a week prior to your tax appointment. This gives me time to review your documents and enter as much as I can in my software so if I have questions, I can ask them at our tax meeting. If you want to schedule a meeting prior to sending me your tax documents, you can do so here: <https://calendly.com/thebottomline> There is a \$75 fee for this extra tax appointment.

New clients pay a \$75 consultation fee for a half hour zoom meeting. During that meeting I will take a look at their past year tax return, review their past year tax return for any errors, review their 2020 tax situation and by the end of our meeting you will know upfront what my fees will be to prepare your 2020 taxes.

Returning clients and new clients can upload documents to our secured client portal <https://thebottomline.securefilepro.com/portal/#/login>

Last year was the first year in many years that my rates increased. Returning clients were offered the same rate if they had paid before February 1st. this year I will offer a 10% discount on the new tax preparation fee if you pay it before January 31, 2021, All tax return fees still need to be paid in advance

Updates for Tax Year 2020

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Individuals continued

- If you were refunded money from your 529 fund because your school went virtual or canceled classes, you have 60 days to return that money into the account or use it for other educational expenses. You can also use 529 funds for certain apprentice programs including fees, books and supplies and you can also use 529 plan money to pay off student loan debt up to \$10,000. That \$10,000 is a total amount and not an annual amount.
- The cares act allowed taxpayers under the age of 59 and a half to take up to \$100,000 out of their 401k and IRAs up until the end of 2020 without having to pay a penalty for early withdrawal. If you took money out of your account in 2020, you will have three years to put this money back and get a refund on any taxes you paid.
- The required minimum distribution from your IRAs once you reach 70½ years old pushed was back the age to 72 and skipped the requirement minimum withdrawal entirely for 2020 without penalty. The Securities Act also allows taxpayers over 70½ years old to continue to contribute to their traditional IRAs.

Small Businesses

- If you own a small business and received a PPP loan, we will need to discuss how to account for that correctly for this year's tax filing. Let me know if you have applied for or if you have received forgiveness of your PPP loan. you cannot deduct business expenses you paid from loans that are designed to be forgiven.
- Some of your Social Security and Medicare taxes for your employees were able to be deferred in 2020.