

Norwalk Business Service, Inc.

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*******RMD Relief, Extensions, and IRS interest *******

Dear Client,

There are a few important deadlines approaching that may affect you.

RMD Relief: In March, Congress directed IRS to waive the Required Minimum Distribution for retirement plans for tax year 2020. Later on, IRS realized that this relief would need to be clarified to allow those who already withdrew their retirement funds to roll those funds back in. If you wish to return your RMD, the deadline to return your withdrawal is August 31st.

Extensions: Partnership, and S-Corporation returns are due by September 15th. Trust and Estate returns are due September 30th. Individual and C-Corporation returns are due by October 15th. If you have not filed your return, please call our office to schedule your meeting. We are continuing to do our appointments remotely over the phone or video conference.

PPP Loan Forgiveness: The Paycheck Protection Program has undergone many changes since it was passed in March. The original loan was designed to provide an 8 week covered period for payroll costs. This resulted in a large amount of the funds borrowed not being eligible for forgiveness. To fix this, the covered period was extended to 24 weeks. Individuals who received their PPP loan before June 5th can choose between the 8 and 24 week periods. If the loan was received June 5th or after, borrowers are required to use the 24 week period. If you did not qualify for full loan forgiveness, Congress is still discussing other changes that may help you. We recommend you wait until your 24 week period is over to apply for loan forgiveness. If you need help with the calculation, our office can help for a fee.

Refunded Interest Checks: The IRS will be sending checks or direct deposits to individuals who received a refund and filed their return after April 15th but before the July 15th extended deadline. Because the deadline was extended due to a state of emergency, the IRS has determined that it is required to pay interest for the refunds it issued during that time period. Checks will average around \$20.00.

Access to Tax Returns and Documents: In order to protect you from security breaches and to allow you to have access to your tax returns and documents 24/7, we have moved our digital storage of your documents to SmartVault, a program that integrates with our tax software. Please let us know if you want access and we will send you an invite to create an account.

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