

## **IRS and Tax Filing Information**

### **July 15th - New IRS & CA FTB Tax Deadline**

The Federal and California income tax filing due date is automatically extended from April 15, 2020, to July 15, 2020. However, I encourage you, if you are able, to not delay until the summer. Taxpayers can also defer federal income tax payments due on April 15, 2020, to July 15, 2020, without penalties and interest, regardless of the amount owed. This deferment applies to all taxpayers, including individuals, trusts and estates, corporations and other non-corporate tax filers as well as those who pay self-employment tax.

If it turns out that you are in a tax due position, we can schedule electronic withdrawals to take place on July 15th or earlier if you prefer.

If you still need to file and are ready to get started, let me know. I understand a lot has changed and maybe taxes are not high on your list of priorities at the moment. Therefore, there is no pressure whatsoever to rush this; simply let me know your timeline. [For more information on Tax Day from the IRS website, click here.](#)

### **Economic Impact Payment**

As soon as the week of April 13th, U.S. residents will receive the Economic Impact Payment of \$1,200 for individual or head of household filers, and \$2,400 for married filing jointly if they are not a dependent of another taxpayer and have a work eligible Social Security number with adjusted gross income up to:

- \$75,000 for individuals
- \$112,500 for head of household filers and
- \$150,000 for married couples filing joint returns

For more information on eligibility, payment amounts, what to expect, when to expect it and more, [click here.](#)

### **How to Receive an Economic Impact Payment if not required to file 2018 or 2019 tax return**

Eligible US citizen or permanent resident non-filers includes those who:

- Had gross income that did not exceed \$12,200 (\$24,400 for married couples) for 2019
- Were not otherwise required to file a federal income tax return for 2019, and didn't plan to

Non-filers can enter their information in a special IRS portal to receive their payment. [Here is a link to the portal.](#)

## **How to track your 2019 refund with the IRS & CA FTB**

If we filed your tax return after March 16 and you are due a refund from the IRS or CA FTB, it's no doubt that the refund timeline may take longer than the usual 10 - 21 business days. You can monitor the status of your refund simply by using the Where's My Refund? Tool on the IRS and CA website. Here are the links:

[IRS - Where's My Refund?](#)

[CA FTB - Where's My Refund?](#)

## **What to do about outstanding bills when finances are tight including sample letters**

Over the last 3 weeks, 17 million Americans have filed for unemployment. This represents 10% of the US workforce. And for those of us still working, we are evermore cognizant about budgeting and spending. The COVID-19 situation might affect your ability to pay rent, bank loans, insurance premiums, utilities, or vendors on a timely basis. If you are unable to pay these items, open a line of communication with the company you owe. If you communicate honestly, there is a chance they might defer payment or lower their interest rates, and maintain your relationship in good standing.

[Here are some tips on how to communicate with the company.](#)

[And here are a few sample letters to confidently communicate with companies.](#)

## **Early distribution penalty waived**

The 10% early distribution penalty on up to \$100,000 of retirement withdrawals for coronavirus-related reasons is waived during 2020. New provisions allow tax liabilities on these distributions to be paid over a three-year period. The new rules also allow individuals to return these distributions to the retirement account over a three-year period and not be subject to annual contribution limits.

Action: This could be a great way to handle emergency payments until you receive a stimulus check, unemployment payments, or a pending small business loan.

## **IRS installment agreement suspension**

The IRS announced suspension of payments of all amounts due from April 1 through July 15, 2020 and will not be in default on any IRS installment agreement during this period. Interest will continue to accrue on these installment agreements.

Action: Being on the bad side of the IRS is never fun. If you currently have an IRS installment agreement, you may consider taking advantage of this delay.