



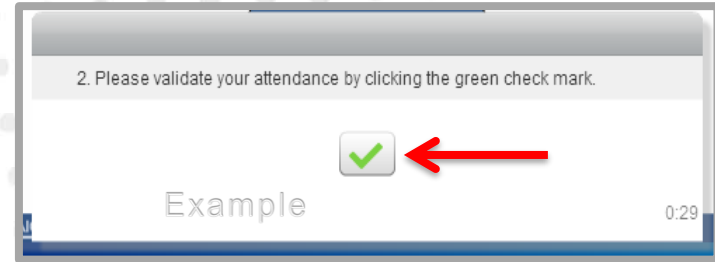
WASHINGTON TAX BRIEF

June 24, 2020

Earning CPE



- Disable all pop up blockers
- Any answer counts towards CPE credit
- Earn credit by responding to 75% of these pop ups
- Click the CPE button at the end of this webcast
- A post event email with CPE information will be sent to you



Per NASBA, you cannot earn CPE credit by watching the archive of this webcast.

More Helpful Hints

Adjust your volume



- Be sure your computer's sound is turned on as well.
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Ask your questions



- Feel free to submit content related questions to the speaker by clicking this button.
- Someone is available to assist with your technology and CPE related questions as well.

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- Access today's slides and learning materials by clicking this download button at any time during this presentation.
- If you need help accessing these materials send a message through the Q&A application.



About the Washington Tax Brief

Webcast series to update you on:

- The regulatory and political environment for tax issues
- AICPA's advocacy efforts to:
 - protect your professional interests
 - support sound tax policy
 - promote effective tax administration
- Open to all AICPA members
- Open to all state society staff and committee members



Today's Speakers

AICPA Tax Staff



EDWARD KARL

VP - Taxation



HENRY GRZES

Lead Manager



JEANEEN ZANOVELLO

Lead Specialist



Topics of
Today

01.

**Legislative
Update**

02.

SSTS Revisions

03.

**PPP- Related
Activities &
Resources**

04.

**IRS Operations,
Tax Deadlines**

05.

**E-Signatures,
Penalty and
Compliance Relief**

06.

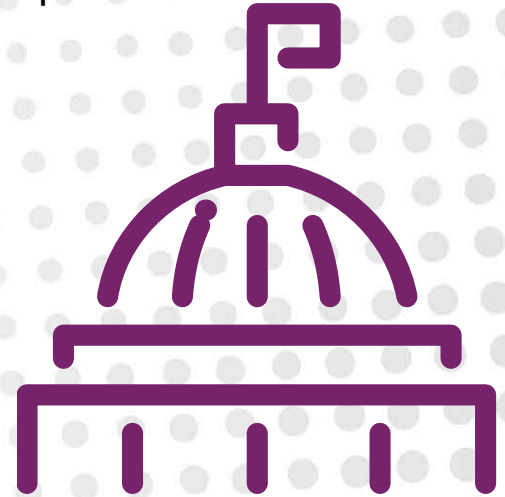
**Hot Topics,
Questions**



Legislative Update

Election Year Must-Pass Items

- **Phase 4 of Coronavirus Response?**
 - Note: Several CARES Act provisions (such as PPP) will expire on December 31st
- **FY 2021 Appropriations**
 - Government shutdown prior to election?
- **Tax Extenders and Surface Transportation Authorization**



CARES 2.0/Phase 4 Stimulus Outlook

- HEROES Act in the House
- Senate response?
- Timing

HEROES Act Introduced May 12

- \$3 trillion cost
 - State and local government assistance
 - Front line workers
 - Hospitals
 - Vaccine and antibody testing
 - Social safety net benefits
 - Housing assistance
 - Worker safety
 - Election safety
- House passed May 15: 208-199



Phase IV: Liability Protections

"My red line going forward on this bill is we need to provide protection, litigation protection..."

Senate Republican Leader, Mitch McConnell

“

“At the time of this coronavirus challenge, especially now, we have every reason to protect our workers and our patients in all of this. So we would not be inclined to be supporting any immunity from liability.”

House Speaker Nancy Pelosi

Revenue Options: Will Tax Rates Increase?

- **Record government debt risks**
- **Highest deficit in decades**
- **Congress and future Administration will have to mitigate**
 - ✓ Tax increases?
 - ✓ Spending cuts?
- **Corporate tax rate**
- **Many small businesses operate as passthroughs – taxed up to the highest individual rate**
- **Most TCJA individual provisions expire 12/31/25**



SSTS Revisions

SSTS Revisions - History

Seven individual standards and two interpretations of SSTS No. 1, Tax Return Positions, and numerous FAQs

- Reporting and Disclosure Standards (2000)
- Tax Planning (2003)

Most recent update to standards effective January 1, 2010 and Interpretations, January 31, 2012



SSTS Revisions

Changes

Task Force
& Timeline

Next steps

Contact – Henry Grzes, CPA – Staff liaison, SSTS Revision Task Force - Henry.grzes@aicpa-cima.com



**Task Force
& Timeline**

Challenges



Changes

SSTS Current Standards

No. 1,
Tax Return Positions

No. 2,
Answers to Questions
on Returns

No. 3,
Certain Procedural
Aspects of Preparing
Returns

No. 4,
Use of Estimates

No. 5,
Departure from a Position
Previously Concluded in
an Administrative
Proceeding or Court
Decision

No. 6,
Knowledge of Error:
Return Preparation and
Administrative
Proceedings

No. 7,
Form and Content of
Advice to Taxpayers

SSTS New Standards

01.

*General
Standards for
Members
Providing Tax
Services*

02.

*Quality Control
Standards for
Members
Providing Tax
Services*

03.


*Standards for
Members
Providing Tax
Compliance
Services,
Including Tax
Return
Positions*

04.

*Standards for
Members
Providing Tax
Consulting
Services*

05.

*Standards for
Members
Providing Tax
Representation
Services*

- 
- Change in format
 - Refresh existing standards
 - Possible new standards

The background features a dark blue gradient with several overlapping stopwatch faces. A large purple circle is centered on the page, containing the text 'Next steps'. In the top-left corner, there is a white circle with a green border. In the bottom-left corner, there is a blue triangle pointing right. In the bottom-right corner, there is a purple arrow pointing right.

Next steps



PPP Expense Deductibility: Next Relief Package

- IRS guidance says expenses related to forgivable loans ineligible for tax deductions
- Guidance is contradictory to Congressional intent in CARES Act
- AICPA endorsed S. 3612, Senator Cornyn's legislation to fix issue
- Provision likely for relief package



PPP Loan Forgiveness

- PPP Flexibility Bill recently signed into law; guidance released
- Expect to see 30+ FAQs soon
- AICPA consulted with Treasury Department on key loan forgiveness clarifications
- Many AICPA resources available
- Weekly Town Hall series

A close-up, slightly blurred photograph of a red and white striped banner. The banner is oriented diagonally. The top portion of the banner is red, and the bottom portion is white. The text 'PPP LOAN' is printed in large, bold, red capital letters on the white background. Below it, the word 'Coronavirus' is printed in large, bold, white capital letters on the red background. The banner appears to be part of a larger display or sign.

501(c)6 Organizations and the PPP

Senator Cassidy (R-LA) bipartisan letter sought inclusion of 501(c)(6) organizations

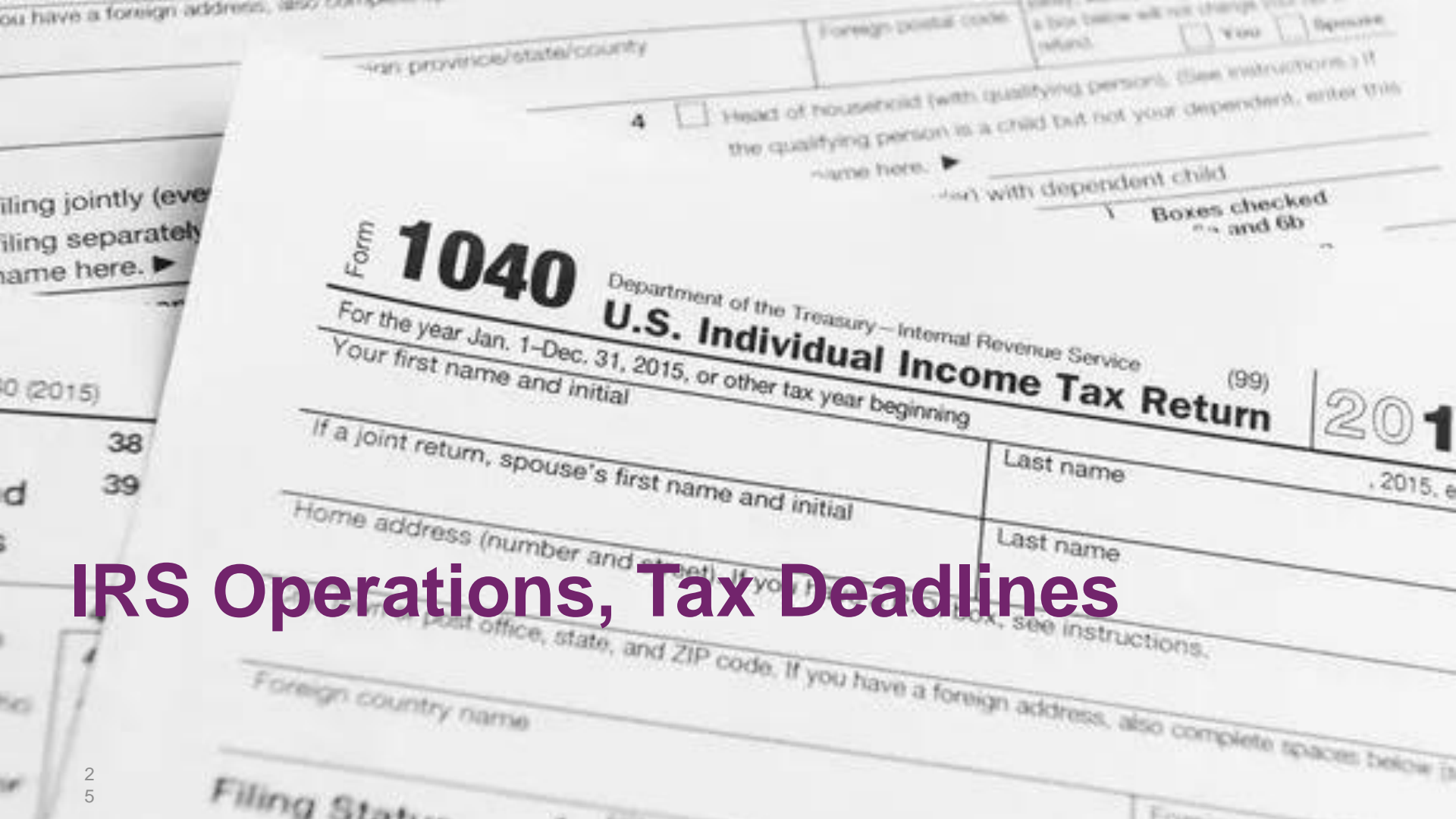


HEROES Act (not law) opened PPP funding to all types of non-profits



Deal to include in future stimulus would likely cap the size

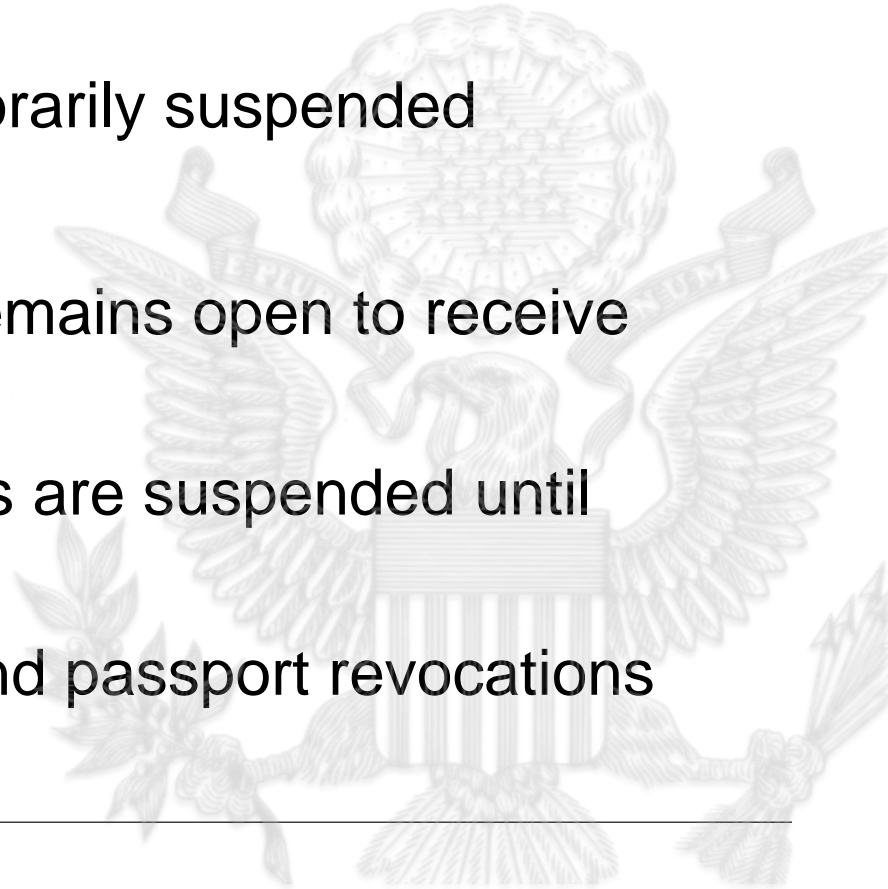




IRS Operations, Tax Deadlines

IRS People First Initiative

- In-person assistance is temporarily suspended
 - Limited telephone assistance
 - Taxpayer Advocate Service remains open to receive phone calls
 - New liens, levies and seizures are suspended until July 15
 - New private debt collection and passport revocations are suspended until July 15
-



IRS Closures

- TAS offices
- Paper tax returns
- Correspondence
- Ordering forms
- FIRE and AIR help desks
- New IVES requests



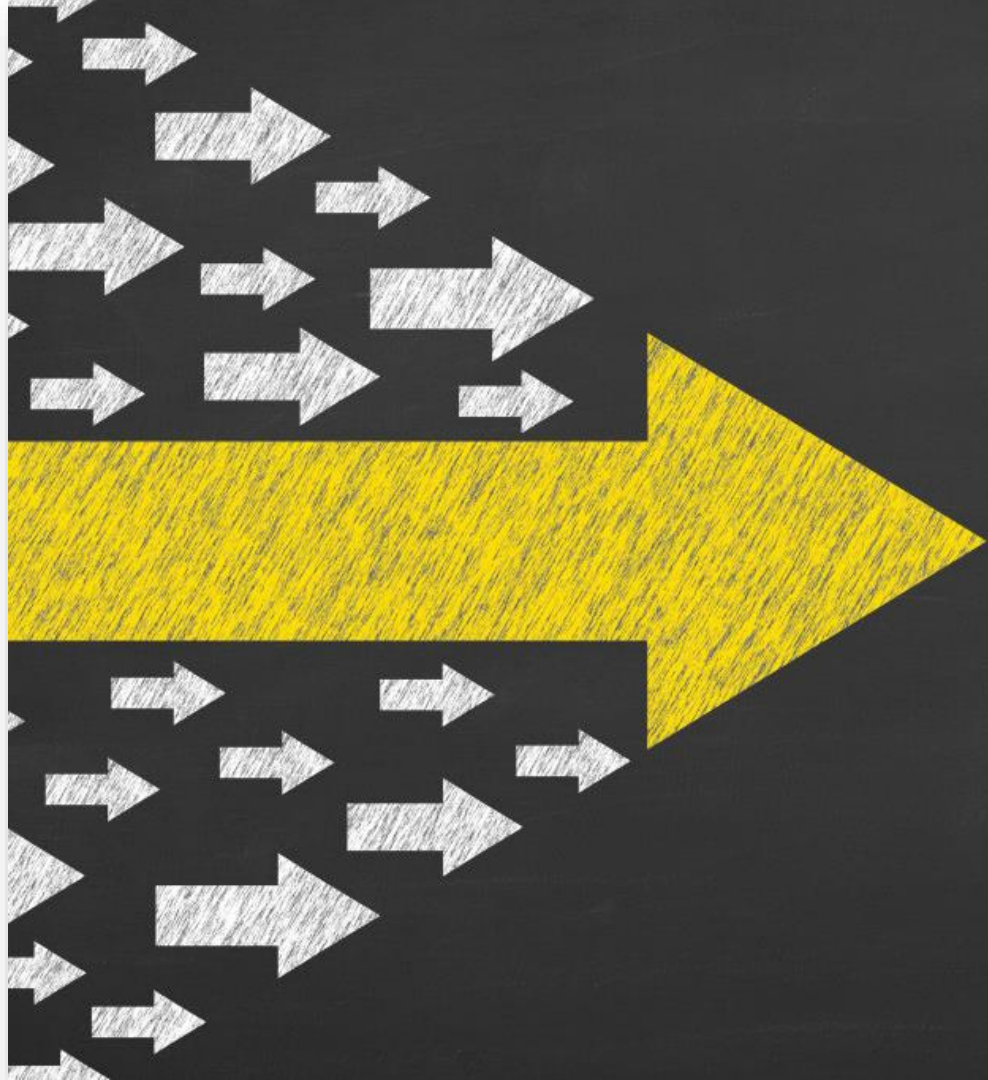
IRS Openings

- E-Services help desk
- Practitioner Priority Service
- TAS phone lines
- Web options
- Independent office of appeals
- CAF number authorizations



Driving to the best answer on tax filing and payment dates

- **Issues to consider: different impacts on members**
 - ✓ Members survey in May
 - Mix of opinions
 - ✓ State conformity
 - ✓ PPP work adding to busy season
 - ✓ Impact of COVID-19 on IRS
 - ✓ Second coronavirus wave in fall





- **Tax Executive Committee believes we should not advocate additional postponement by the IRS**
- **To address member concerns:**
 - ✓ E-signature liberalization
 - ✓ Penalty and compliance relief

Coronavirus: Tax Advocacy

E-signatures

- Desperately needed during this filing season given COVID-19
- Permanent solution to better embrace the digital and global environment

Penalty and compliance relief

- Automatically waive penalties
 - failure to file
 - failure to pay
 - underpayment of estimated tax
- Expedited installment agreement process
- Delay collections activities by at least 90 days after July 15



Hot

Topics

01.

ACA

02.

§4960 Update

03.

Circular 230

04.

**Distribution-
related wins**



Q & A

Upcoming learning opportunities

Navigating uncharted waters together



<u>How SECURE Act Affects Retirement and Other Planning</u>	Wednesday, July 1 st 1pm–2:30pm ET CPE: 1.5
<u>Agile Finance: Reimagining Finance for the New Normal</u> Part three of this five-part series hosted by AICPA & CIMA, experts from McKinsey & Company and Oracle. Free with CPE	July 15 th , 3:30pm ET July 16 th , 2:00pm SGT (2am ET) July 16 th , 3:00pm BST (10am ET) CPE: 1
<u>Surviving, Pivoting, and Thriving in the New Normal</u>	Friday, July 17 th 11am–Noon ET CPE: 1
<u>COVID-19 Audit Implications</u>	Tuesday, July 21 st 2pm–4pm ET CPE: 2
<u>2020 Mid-Year Tax Roundup</u>	Thursday, July 30 th 1pm–3pm ET CPE: 2

AICPA Weekly Town Hall Series

Join our weekly Town Halls on CARES and PPP

- Hear insights on the latest Treasury and SBA guidance and discuss hot topics
- Led by AICPA executive leads Mark Koziel, EVP Firms Services, and Erik Asgeirsson, President & CEO, CPA.com
- Thursdays @ 3:00 PM ET
- Free for AICPA members

Register now

aicpastore.com/townhallseries

SBA Paycheck Protection Program resources for CPAs

- Summary of **Paycheck Protection Program Flexibility Act**
- **Main Street Lending Program Summary**
- **Loan forgiveness calculator**
- PPP Loan Forgiveness Services Matrix
 - Agreed-Upon Procedures **Engagement Letter**
 - Agreed-Upon Procedures **Report**
 - Attachment to the Engagement Letter with **procedures performed**
- Explore other funding resources
 - Co-brandable **SBA Loan Snapshot** to explore other SBA options with clients
 - **Overview of SBA Loans**
- **Payroll calculators** to help clients with the loan application



Resources to help you maintain
your wellness during this
extended busy season



Read...

- [A four-point plan for reducing stress](#)
- [Your life, your terms: four steps to reduce stress and reclaim your life](#)
- [Your staff is stressed and busy season isn't entirely to blame](#)



Listen...

- [AICPA Small Firm Philosophy - Mindfulness Matters series](#)
- [Go Beyond Disruption Podcast - Wellbeing: Our Selves, Our Roles](#)



Learn...

- [Tax season resources for CPAs](#)
- [Coronavirus \(COVID-19\) resource center](#)



Lean...

[On your family, friends, network and professional community](#)



Tax Section

Leading tax forward

Your go-to source

Technical tax content, guidance and resources designed specifically for CPA tax practitioners.

aicpa.org/tax

- COVID-19 client tools
- Engagement letters
- Tax return checklists
- Document retention policy
- IRS response templates
- Casualty loss guide
- Tax planner field guide
- Foreign national resources



Tax Section

Leading tax forward



Tax practice support

Robust resource library including tax return checklists, engagement letters and practice guides



Free webcasts

Four webcasts with eight hours of CPE on core issues in tax and ethics



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Community

Network with peers on the latest issues, trending topics and knowledge-sharing

aicpa.org/tax



Coronavirus Tax Resource Center

aicpa.org/covid19tax

- CARES Act stimulus calculator
- Client letters
- Client snapshot
- Comparison of business relief options
- Engagement letter
- FAQs
- Federal due dates chart
- Legislative summaries
- State due dates chart

The changing landscape is your opportunity.

The [Tax and Financial Planning Services hub](#) offers a wealth of resources to help you proactively engage with your individual clients.

aicpa.org/growadvisoryservices

- Analysis of a tax return checklist
- Personal finance scorecard
- Tax planner's field guide
- *Roadmap to developing a tax & financial planning business*

AICPA Washington Tax Brief

The latest news, advocacy, exclusive videos, resources and learning in one place.

Don't miss our next free webcast!

Oct. 28, 2020



Thank you