



SPECIAL

COVID-19 and TAX-RELATED RELIEF WASHINGTON TAX BRIEF

April 1, 2020

More Helpful Hints

Adjust your volume



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- Slide the control to fit your needs.

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- 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.

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- Access today's slides and learning materials by clicking this 'Resources' 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 Policy & Advocacy



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Moderator



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AMY WANG



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Topics of Today

- 1 ● Coronavirus Relief Legislation
- 2 ● IRS Filing & Payment Relief
- 3 ● State Filing & Payment Relief
- 4 ● AICPA Coronavirus Resource Center & Member Resources
- 5 ● Q & A



Coronavirus Relief Legislation

Senator Thune Supports the Profession

A photograph of Senator Tim W. Thune, a Republican from South Dakota, speaking at a wooden podium in a legislative chamber. He is wearing a dark suit, a white shirt, and a blue and white striped tie. The background shows rows of wooden desks and chairs, typical of a Senate or House floor.

- Introduced Tax Filing Relief for America Act (S. 3535)
- Understands the challenges that taxpayers and tax preparers are facing
- Legislation would have forced Treasury/IRS to extend 4/15 deadline

Coronavirus Relief Legislation



- Phase I: Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020
- Phase II: Families First Coronavirus Response Act (FFCRA)
- Phase III: The Coronavirus Aid, Relief, and Economic Security (CARES) Act
- Phase IV: ???

A close-up photograph of an adult hand holding a baby's hand, symbolizing care and support. The adult's hand is on the left, and the baby's hand is on the right, both resting on a dark, textured fabric. The lighting is soft, highlighting the skin tones and the texture of the fabric.

Families First Coronavirus Response Act (FFCRA)

Families First Coronavirus Response Act

Expanded Family Medical Leave, Emergency Sick Leave & Refundable Payroll Tax Credits

- Effective for leave taken between April 1, 2020 and December 31, 2020
- Employers with fewer than 500 employees
- Employers with fewer than 50 employees may be exempt for financial reasons
- Refundable Payroll Tax Credits available for 2nd quarter 2020



Families First Coronavirus Response Act

Emergency Paid Sick Leave

1. Federal, state or local quarantine order
2. Advised by health care provider to self-quarantine
3. Have symptoms of COVID-19 & seeking diagnosis
4. Care for someone subject to quarantine order
5. Care for child whose school or childcare is closed
6. Have substantially similar condition specified by HHS

Max 2 weeks / 80 hours of pay based on greater of regular pay rate or minimum wage, subject to caps:

- \$511 per day / \$5,110
- \$200 per day / \$2,000



Families First Coronavirus Response Act

Expanded Family Medical Leave / Tax Credits

Expanded Family Medical Leave

- Cannot work / telework due to caring for child whose school or childcare is closed
- 2/3 of pay not greater than: \$200/day or \$10,000 total for 10 weeks

Refundable Payroll Tax Credits

- Non-government workers: reduce payroll taxes for all employees
 - Employer share of FICA
 - Employee share of federal income tax and FICA
- Special rules for government employees



A photograph showing the lower halves of two people walking away from the camera on a paved surface. The person on the left is wearing brown corduroy pants and a dark jacket. The person on the right is wearing blue jeans and a green jacket. Both are carrying blue and white plastic shopping bags. The scene is lit by bright sunlight, casting shadows on the ground.

Coronavirus Aid, Relief, and
Economic Security Act
(CARES Act)

CARES Act



Section 1102 – Paycheck Protection Program

- Small businesses (fewer than 500 employees) are eligible to receive a Paycheck Protection Loan between February 15, 2020 and June 30, 2020
- Loan amount is limited to the lesser of:
 - Average total monthly payroll costs for the 1-year period ending on the date of the loan multiplied by 2.5
 - \$10,000,000

Section 1106 – Loan Forgiveness

- A portion of the loan is eligible to be forgiven on a tax-free basis
- Amount forgiven is the sum of the following payments made during the initial 8-week period beginning on the date of the loan:
 1. Payroll costs
 2. Mortgage Interest (no principal forgiven)
 3. Rent
 4. Certain utility payments

Purpose:

Provide emergency assistance and health care response for individuals, families and businesses affected by the 2020 Coronavirus pandemic.

CARES Act

Section 2201 – 2020 Recovery Rebates for Individuals

- \$1,200 advance credit per person; \$500 per qualifying child
 - \$75,000 AGI (\$150,000 MFJ, \$112,500 HOH)
 - Reduced by \$5 for each \$100 that a taxpayer's income exceeds the phase-out threshold.
- Advance payments are based on 2019 reported income
 - If 2019 has not been filed, payments will be based upon 2018 return

Updates For Checks on

IRS Page: <https://www.irs.gov/coronavirus>



CARES Act

Tax Provisions

2202: Retirement funds

2203: Required Minimum Distributions (RMDs)

2204: Partial above the line charitable deduction

2205: Increase limits on charitable contributions

2206: Exclusion from income for limited employer payments of student loans

2301: Employee retention credit

2302: Delay of payment of employer payroll taxes

2303: NOL 5-year carryback and waiver of 80% taxable income limit

2304: Excess business losses limit eliminated for pre-2021 years

2305: Acceleration of corporate AMT credits

2307: Qualified improvement property (QIP) retroactive fix

2308: Temporary exception from excise tax for alcohol used to produce hand sanitizer



You Spouse
 Head of household (with qualifying persons. (See instructions.) If the qualifying person is a child but not your dependent, enter this name here. ▶
 with dependent child
 Boxes checked 1 and 6b

Form **1040** Department of the Treasury—Internal Revenue Service (99)
U.S. Individual Income Tax Return 2015
 For the year Jan. 1–Dec. 31, 2015, or other tax year beginning

Your first name and initial Last name, 2015, e
 If a joint return, spouse's first name and initial Last name
 Home address (number and street). If you have a post office box, see instructions.
 Foreign country name
 Filing Status

IRS Filing & Payment Relief

AICPA Advocacy

AICPA Position: all Federal tax and information returns, and payments (*e.g.*, installments and estimated payments) originally due between March 3 and July 15 should be granted additional time to file and pay until July 15





Notice 2020-18 and Notice 2020-20

- **Notice 2020-18**
 - Applicable to Federal income tax returns and Federal income tax payments due April 15
 - Automatically delayed tax filing and payments until July 15
 - Provides interest and penalty relief
 - Supersedes Notice 2020-17
- **Notice 2020-20**
 - Update to Notice 2020-18
 - Extended relief to Federal gift or GST tax returns and payments

Filing & Payment FAQs

- IRS FAQs
- Questions & Concerns
 - Other forms filed with Forms 1040, 1041 and 1120
 - Timing of Q1 and Q2 estimated tax payments
 - E-signature authorization
 - Information and other returns (i.e., Forms 706, 990)
 - US citizens living abroad or non-resident taxpayers who can't leave
 - Payment and penalty questions





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

- Practitioner Priority Service
- CAF number authorizations
- E-Services, FIRE and AIR help desks
- New IVES requests

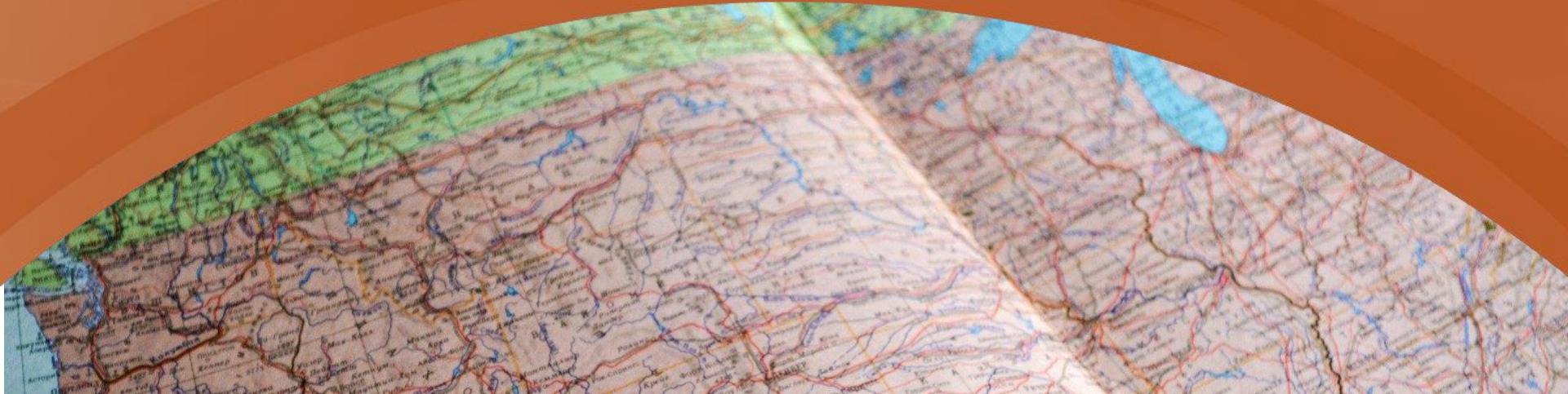
A circular inset image on the right side of the slide shows a white rectangular sign with the word "CLOSED" in black capital letters. The sign is hanging from a metal door handle or latch mechanism. The background of the inset image is a blurred view of a glass door or window with a black frame.

State Filing & Payment Relief



State Tax Filing Relief Developments

- AICPA Tax Advocacy Support to State Societies
- AICPA Chart on State Tax Filing Guidance for Coronavirus Pandemic



Support to State Societies

- Update on federal developments; encourage states to follow federal treatment
- Track state tax filing guidance responses
- Coordinate and share information with state societies
- Next – advocate on state tax administrative issues (signatures, remote workers)



AICPA Chart on State Tax Filing Guidance for Coronavirus Pandemic

- Summary
 - 37 states follow federal 7/15 deadline change
 - 8 states provide other relief
- Details
 - Some legislation needed, press releases, FAQs
 - Some estimated payments – Q1, Q2
 - Some penalties only, interest
 - Types of taxpayer covered (pass-throughs)
- Other information





AICPA Coronavirus (COVID-19) Resource Center

Visit our website for more
information,
www.aicpa.org/covid19



Don't miss our next webcasts!

[Navigating change: Tax implications of the Families First Coronavirus Response Act](#)
April 2, 3pm-4pm ET | April 7, 1-2pm ET

[Tax Implications of The Coronavirus Aid Relief and Economic Security \(CARES\) Act](#)
April 3, 1pm-2pm ET | April 9, 1-2pm ET



Coronavirus Tax Resource Center

aicpa.org/covid19tax

- CARES Act stimulus calculator
- Client letters
- Client snapshot
- FAQs
- Federal due dates chart
- Legislative summaries
- State due dates chart

AICPA Washington Tax Brief

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

Don't miss our next free webcast!

June 24, 2020



Thank you



Q & A