

May 2020 TaxInsight



CARES Act Brings Relief to Individual Taxpayers

The recently passed *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) provided relief to taxpayers in a number of ways. The due dates to file and pay income taxes have been extended to July 15, 2020. Taxpayers who haven't already filed their taxes can wait until July 15, although they can file at any time. Refunds generally will be paid out within 21 days.

Most taxpayers should have also received a stimulus payment. The payment equals \$1,200 for single taxpayers and \$2,400 for married taxpayers who file a joint return. Those with dependent children under the age of 17, should have received an additional \$500 per child. The payment phases out once income reaches \$99,000 for single filers, \$146,500 for head of household and \$198,000 for joint filers. There was nothing taxpayers needed to do to receive this payment. It was automatic and based on what was reported on their 2019 income tax return. For those who hadn't filed a 2019 return yet, the IRS based the payment on the 2018 return. If you haven't received a payment, visit [irs.gov](https://www.irs.gov) and click on the Coronavirus Tax Relief link to check on the status. **Tip:** At the prompt,

type your correct USPS address, which may differ slightly from the one used on your return. Use all capital letters.

Also new with the CARES Act, you'll be able to take a partial charitable deduction even if you do not itemize. Generally, you must itemize your deductions to receive a tax benefit for charitable contributions. Beginning in 2020, you can make charitable contributions in cash of up to \$300 without itemizing your deductions.

Interest and payments on federal student loans are suspended until September 30, 2020. You'll not incur interest on your loans, and any payments made during this time will pay down principal. In addition, skipped payments will still count for forgiveness programs, such as income-driven repayment plans and public service loan forgiveness.

Finally, when you reach a certain age, generally 70½, you are required to take a minimum distribution from your IRA or retirement plan. If you are required to take a minimum distribution in 2020, you can choose not to without incurring a penalty. You do not have to make up the distribution in 2021.

Tax Due Dates

- Form 990, exempt organizations – July 15
- April and June estimated tax payments due – July 15
- Individual and C corporation income tax return due – July 15

Did You Know?

The first week of May is National Teacher Week. This spring especially, we appreciate the hard work our teachers do every day.

Quote Corner

"Never underestimate the lingering effects of a dash of spontaneous comfort."

~ Gina Greenlee

