



WARREN ACCOUNTING GROUP

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Trusted Client:

We are all experiencing an unprecedented reality in our personal lives, jobs and our businesses due to the COVID-19 outbreak. The adjustment to a new and more distanced life has caused uneasiness related to the economic outlook for all of us. Below, I have outlined several programs or tax law revisions the federal government has implemented that can greatly benefit you and possibly your 2020 tax result.

Personal

The federal government sent out Economic Impact Payments (EIP) to millions of Americans in April and May. This payment is **not a loan** and **is tax free**. If you have not received this EIP payment and feel you are entitled, I encourage you to call our office. We can help.

You can **donate up to \$300.00** in 2020 to a qualifying charity and receive a deduction on your taxes regardless if you itemize personal expenses. This deduction will save the average client between \$30.00 and \$60.00 on their federal 2020 return.

Retirement

The IRS produced guidance that explains all Required Minimum Distributions (RMD) are **waived for 2020**. This affects anyone over the age of 70 ½. If you are currently taking an annual RMD, please contact our office. Hopefully, we can help save you income tax.

If you or an immediate family member has been diagnosed with COVID-19 you can withdraw from your retirement early **without incurring a 10% early withdrawal penalty**. You have until the end of 2020 to take advantage of this change. Before withdrawing any funds, I encourage you to contact our office.

Small Businesses

The Small Business Administration (SBA) is managing two programs that were implemented due to the outbreak. The first is the Paycheck Protection Program (PPP) Loan. This program **kept millions of Americans employed** and supplemented loss revenues due to the forced slow down of the economy. There is potential that PPP funds will be forgiven for your business. Please contact our office if we are not aware that you received funding and would like us to help you apply for forgiveness.

Secondly, the Economic Injury Disaster Loan (EIDL) was offered to any small business in the United States. This is an **unforgivable loan at 30-years with a 3.75% interest rate**. This loan is designed to help businesses keep their overhead expenses paid throughout 2020. You can apply for this loan until September 30, 2020 unless federal funding expires earlier. Please contact our office and we can help.

Regardless of our current economic environment, I believe our future is bright. The benefits I named above will help, but most importantly all of us are resilient and strong willed. Please do not hesitate to contact our office. We want to help you in any way possible.

Thank you for your continued business,

Robert J. Warren *Bonnie Rose Allen* *Carl F. Warren*
Terry Webb *Melissa Shearin*