



## [Electronic Filing Services](#)

The IRS will begin accepting electronically filed personal tax returns between January 15<sup>th</sup> and February 1<sup>st</sup>. The exact date has not been released at the time of this writing. E-filing is mandatory under our license, except in rare instances where a return can only be paper-filed. The IRS also permits us to receive your signature electronically, potentially saving an extra trip to our office.

By taking a few simple steps now, you can greatly reduce uncertainty and stress during the upcoming 2020 tax filing season. These four actions will help complete your return efficiently, without unpleasant surprises:

### **Gather Documents Showing Wage, Business and Other Income**

If you work as an employee, you should receive a W-2 from your employer(s) by early February, showing your earnings for the year and the total tax withheld from your paychecks. If you are self-employed (including gig economy work) or own a business, you should receive 1099 forms from your clients showing fees paid to you.

Interest and dividend income, along with royalties from past work, are also reported on 1099 forms. Recipients of unemployment benefits (including \$600 federal Pandemic Unemployment Assistance payments) and/or taxable Social Security benefits should receive a year-end statement detailing these payments as well. Store all these documents with your tax records.

### **Organize Records of Other Potentially Taxable Transactions**

The sale of major assets like stock, a house or any other “big ticket” item may yield a taxable capital gain. Many cryptocurrency transactions (such as buying and selling Bitcoin) also have tax implications, since the IRS classifies cryptocurrencies as property. Make sure you have complete records of all your significant financial and property transactions during 2020.

### **Be Aware of the Rules for Refund Interest and Stimulus Payments**

Because the processing of some tax refunds was delayed in 2020 due to the pandemic, the IRS paid interest to many refund recipients. Unlike refunds themselves, these interest payments are classified as taxable income. If you received a tax refund interest payment, the IRS will send you Form 1099-INT in January, which you will need when preparing your return.

Recipients of a 2020 Economic Income Payment (EIP, also called a stimulus payment) should have also received IRS Notice 1444, Your Economic Impact Payment. Make sure to keep this notice handy. If your EIP amount was lower than it should have been, Notice 1444 will give you the information you need to claim a tax refund for the balance owed to you.

If you received an Economic Impact Payment in 2020 (also known as a stimulus payment) as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), it will affect how much you owe in taxes for the 2020 tax year. These

Larry Walker, Jr., E.A.

Enrolled Agent

\*Registered Representative

2775 Trotters Walk Trail

Snellville, GA 30078

[www.4-Serenity.com](http://www.4-Serenity.com)

[lwalker@4-Serenity.com](mailto:lwalker@4-Serenity.com)

Office: 770.978.9565

Fax: 404.795.0467

stimulus payments were advance payments of refundable tax credits from individual 2020 tax returns. Even though the advance payment was based on your 2019 or 2018 tax return, the payment is earned on your 2020 return. Therefore, even if you did not qualify based on your 2019 or 2018 adjusted gross income, you may still receive the credit when you file for 2020.

### **Start Early**

With all the unpredictability of life during a pandemic, staying ahead of the tax game is more important than ever. Assemble your records as soon as possible. If you have any questions, we can help you identify and organize the documents you need. Just remember that we have far greater availability early in the tax season than at the last minute.

Tax documents may be sent to us via U.S. Mail, secure upload to your Client Portal, secure upload to a link we will provide, hand delivery, or email.

Where possible, we will e-mail a secure copy of your return for review along with an electronic signature document. It is strongly recommended that you review your return thoroughly for errors and omissions (including name and address changes) before signing. Your return and signature forms will be sent (securely) via ShareFile and RightSignature. Visit our [Client Portal](#) page for instructions.

### **Refund and Payment Options**

**Refunds** – The IRS reminds taxpayers that refunds claiming the Earned Income Tax Credit (EITC) and Additional Child Tax Credit (ACTC) will not be released before the end of February. Returns claiming the EITC or ACTC will take up to four weeks to process.

- **Direct Deposit** (recommended) – Refunds normally arrive within 10 to 21 days with no additional fees. You may have your refund direct deposited in up to three separate checking or savings accounts. There are no additional fees for direct deposit, if tax preparation fees are paid at the time of service, or by e-check authorization.
- **Paper Checks** (not recommended) - You may also receive your refund in the form of a paper check. Refunds by check are generally received in 4 to 6 weeks. They are not recommended because checks may be lost in the mail, damaged, or stolen in transit.

**Paying Tax Preparation Fees** – Tax preparation fees are due upon completion of your return. To keep your fees reasonable, we no longer offer fee-based refund settlement products. Instead, we offer settlement of accounts via electronic checks authorized on a designated day, free of charge. We also accept Visa, MasterCard, American Express, Discover, checks, cash and electronic checks at the time of service.

**If you owe taxes** – If you owe Federal or State Taxes you may choose to have your payment debited from your checking or savings account at no additional cost, at the time of filing. If you file before the April 15th deadline, you may choose to have the amount owed debited on, or before, April 15th. After April 15th the

payment date must match the filing date. Scheduling a direct debit from your checking account at the time the return is filed is the fastest, safest, easiest, and cheapest way to pay (it's free).

The IRS also offers [Direct Pay](#), a secure service in which your payment may be debited from a bank account at no cost. Direct debit is also available with most State tax agencies. You may also make payments by credit card, however, be aware that private companies offer credit card processing for the government with added fees of up to 2.49%. You always have the option of mailing a check or money order (although not recommended) along with the Payment Voucher printed with your tax return.

## **2021 Tax Calendar**

### **January 15, 2021**

- 4th and final installment of 2020 Estimated Tax Payments for individuals. Filing your personal tax return by January 31 and paying any balance due is the only other way to avoid an estimated tax penalty.
- Due date for employee deferral contributions to SEP/IRA, SIMPLE, and Solo 401K retirement accounts.
- Monthly payroll tax deposits due for monthly payers.

### **January 27, 2021**

- The IRS is scheduled to begin accepting individual tax returns in late January. The exact date was unknown at the time of writing.

### **February 1, 2021**

- Due date for 4th Quarter Payroll Tax Returns, and for filing W-2 and 1099 forms. [Accounting information must be received by January 10th].
- Quarterly payroll tax deposits due for quarterly payers.

### **February 15, 2021**

- Monthly payroll tax deposits due for monthly payers.

### **March 15, 2021**

- Due date for Partnership and S-Corporation Tax Returns, or 6-month extensions up to September 15th. If tax is owed full payment is due on this date.
- Due date for Employer Matching Contributions to SEP, SIMPLE and 401K Retirement Plans without an extension.
- Monthly payroll tax deposits due for monthly payers.

### **April 15, 2021**

- Due date for C-Corporation, Individual, and Estate & Trust Tax Returns, or 6-month extensions up to October 15th (5-months for Estates and Trusts). If tax is owed full payment is due today.
- Final due date for 2020 IRA, Roth IRA, and Individual Health Savings Account contributions.
- Sole Proprietors (Schedule C filers) due date for SEP, SIMPLE and Single-K Retirement Contributions.
- 1st Installment due date for 2021 Estimated Tax Payments for Individuals and Corporations.
- Monthly payroll tax deposits due for monthly payers.

### **April 30, 2021**

- Due date for 1st Quarter Payroll Tax Returns. [Accounting information must be received by April 10th].
- Quarterly payroll tax deposits due for quarterly payers.

### **May 17, 2021**

- Due date for Calendar Year Exempt Organization Tax Returns, or 6-month extensions up to November 16th.
- Monthly payroll tax deposits due for monthly payers.

### **June 15, 2021**

- 2nd Installment due date for 2021 Estimated Tax Payments for Individuals and Corporations.
- Monthly payroll tax deposits due for monthly payers.

### **August 2, 2021**

- Due date for 2nd Quarter Payroll Tax Returns. [Accounting information must be received by July 10th].
- Quarterly payroll tax deposits due for quarterly payers.

### **August 16, 2021**

- Monthly payroll tax deposits due for monthly payers.

Read our online newsletter at <https://www.4-serenity.com/newsletter/>

### **September 15, 2021**

- Final due date for Partnership and S-Corporation Tax Returns with extension filed by March 15th.
- Final due date for Employer Matching Contributions to SEP, SIMPLE and 401K Retirement Plans with an extension.
- 3rd Installment due date for 2021 Estimated Tax Payments for Individuals and Corporations.
- Monthly payroll tax deposits due for monthly payers.

### **October 15, 2021**

- Final due date for C-Corporation, Individual and Estate & Trust Income Tax Returns with extension filed by April 15th. Note: If tax is owed, full payments was due on April 15th.
- Monthly payroll tax deposits due for monthly payers.

### **November 1, 2021**

- Due date for 3rd Quarter Payroll Tax Returns. [Accounting information must be received by October 10th].
- Quarterly payroll tax deposits due for quarterly payers.

### **November 15, 2021**

- Final due date for Calendar-Year Non-Profit Returns with extension filed by May 17th.
- Monthly payroll tax deposits due for monthly payers.

### **December 15, 2021**

- 4th and final installment due date for 2021 Estimated Tax Payments for Corporations.
- Monthly payroll tax deposits due for monthly payers.

### **January 17, 2022**

- 4th and final installment of 2021 Estimated Tax Payments for individuals. Filing and paying the balance due by January 31st is the only other way to avoid an estimated tax penalty.
- Due date for employee deferral contributions to SEP/IRA, SIMPLE, and Solo 401K retirement accounts.
- Monthly payroll tax deposits due for monthly payers.