

January 8, 2020

Dear Client:

As you remember, significant changes came into effect in 2017 under The Tax Cut and Jobs Act (TCJA). These changes apply to 2019's tax year, including tax rate changes, new Section 199A qualified business income (QBI) deduction, depreciation changes, meals and entertainment deduction changes, net operating loss deduction changes and changes to home office for the small business, to name a few.

On December 20<sup>th</sup>, 2020, The "Further Consolidated Appropriations Act, 2020" was signed into law which included individual and business tax provisions in effect for 2019, 2020 and a few effective retroactively back to 2018. To the extent your business tax return could have benefited from any of the resurrected tax provisions, we could file an amended return to claim any refunds. A few highlights below:

- Contractors who construct or manufacture qualified energy efficient homes in the year and such homes are sold or leased for use as a residence may qualify for an energy efficient home credit. The credit is \$2,000 or \$1,000, depending on if the home was constructed or manufactured and energy savings standards satisfied.
- The tax credit was increased for small employer's pension plan startup costs. Eligible small employer who incurred costs adopting a new qualified retirement plan, SIMPLE IRA plan, or SEP.
- The paid family and medical leave credit, which was scheduled to expire at end of 2019, was extended through 2020. Credit applies when a qualified employee is paid while on family and medical leave.
- Section 401(k) plan requirements changed regarding part-time employees' ability to participate and make elective deferrals if certain requirements are met.
- Penalty-free withdrawals from retirement plans for individuals in case of birth of child or adoption. Check plan eligibility before any withdrawals.

**Please make note of the following reminders regarding filing your 2019 business tax return:**

- Form W-2 and W-3 forms to the Employee and the Federal government are **due by January 31, 2020**.
- Form 1099-Misc forms reporting nonemployee compensation in box 7, (payments for services) are **due January 31<sup>st</sup>, 2020 to the Internal Revenue Service**. Form 1099-Misc and 1099's for interest, rent, etc. are **due to the recipient by January 31, 2020**, as well. The most common 1099 form is for services provided to you. You are required to file and report on Form 1099-MISC payments you paid out to anyone who provided a service to you, you paid them \$600 or more in a calendar year and they are NOT a Corporation. Let us know if you need assistance with the preparation of these forms or would like us to prepare them for you.
- NY Limited Liability Companies (LLC's) and Limited Liability Partnerships (LLP's) are required to file an annual form, IT-204-LL. This form must be filed and the annual filing **fee must be paid by March 16<sup>th</sup>, 2020**. This form can be filed anytime from now till March 16<sup>th</sup> directly with NYS Department of Tax and Finance. You will need to login under your employer account to file this form. Jennie may have already reached out to you regarding this form. If not, we would be happy to assist you with any questions on filing this form or if you would like us to file the form for you, please contact the office.

- Another reminder, **NYS minimum wage rates increased 12/31/19 to \$11.80** for employers except ones located in NYC, Long Island, and Westchester (call for rates in these locations, if needed), Increases were made for tipped employees as well as for fast food employees. For employees located in additional states, there may be possible minimum wage rate increases as well. Check with your state department of labor for current rates. **New York's salary threshold for Executive and Administrative Exemptions increased on December 31, 2019. For employers outside NYC, Nassau, Suffolk, and Westchester Counties the minimum per week is \$885.** NYS DOL website has a chart which summarizes these thresholds.

If you would like a list of items needed for us to prepare your returns or need assistance with your accounting software, please drop us a quick email or contact us at the telephone number below.

Another note, if you plan on changing your payroll service provider, please contact our office first as we can give you suggestions to minimize the costs associated with the transition.

You may mail or drop off your tax information anytime during our regular office hours, Monday through Thursday 8:30 am to 5:30 pm and 8:30 am to 5:00 pm on Friday. We are located at 598 Albany-Shaker Road, on the corner of Knauf Lane. If you would prefer a meeting, please email or give our office a call and we would be more than happy to schedule an appointment. If you would like to send us your tax information electronically, please email us at [info@levandbunzey.com](mailto:info@levandbunzey.com) and we will set you up with a secure ShareFile link.

Filing Due Dates –if date falls on a weekend or holiday the return is due the next business day\*.

<b>Tax Return</b>	<b>Return Due</b>	<b>Extensions</b>	<b>2019-December 31, Year End Return Due Dates</b>
Form 1065: Partnership/LLC	15 <sup>th</sup> day of third month following close of tax year	Six month extension is available	Due March 16, 2020
Form 1120: Corporation	15 <sup>th</sup> day of fourth (third if 6/30 FY) month following close of tax year	Six month extension for current year (seven if 6/30 FY; six if other FY)	Due April 15, 2020*
Form 1120S: S- Corporation	15 <sup>th</sup> day of third month following close of tax year	Six month extension is available	Due March 16, 2020
Schedule C, Form 1040	15 <sup>th</sup> day of fourth month following close of tax year	Six month extension is available	Due April 15, 2020*

We appreciate your business and look forward to meeting your tax and accounting needs in the future. Our best wishes for a prosperous and successful New Year.

Lev and Bunzey, LLC