

# MERCER ISLAND ACCOUNTANTS

NEWSLETTER 2021 (V. 2)

WE ARE A PREMIERE CPA  
FIRM COMMITTED TO  
PROVIDING PERSONALIZED  
ATTENTION AS YOUR  
TRUSTED ACCOUNTING  
PARTNER.

TALK TO OUR EXPERTS!  
206-281-9444



## TAX SEASON SUCCESS!

*May 17, 2021 – Our firm successfully prepared and e-filed over 85% of our client's 2020 tax returns with the IRS. Extensions were filed for late filers, who have until October 15, 2021.*

- *IRS Refund...?*
- *Economic Impact Payment*
- *Business Accounting Strategies*
- *PPP Business Loan Forgiveness*
- *IRS Letters sent to Clients*
- *Working Remotely: State Tax Liabilities*

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## 2020 Tax Return – Payment or Refund?

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*Where's My Refund?* If you are still waiting for your 2020 tax refund, you're not alone. The IRS is slow processing tax payments and refunds due to Economic Impact Payments. Visit [www.irs.gov](http://www.irs.gov) to track your tax refund.

## STIMULUS CHECKS: ECONOMIC IMPACT PAYMENTS

Our tax professionals reconciled 2020 returns (for eligible clients) using IRS Notice 1444 and *new* IRS forms to get stimulus payment credit. If you did not receive, and were entitled to, a stimulus payment in 2020, let us know and we will ensure you are credited on your 2021 tax return.

**Bitcoin** – Before you get “bit” by digital assets, be aware that cryptocurrency must be reported on IRS tax returns.

## ACCOUNTING STRATEGIES FOR YOUR BUSINESS

### *Does your business need a bookkeeper?*

Let us create a streamlined accounting system so you can do what you do best: manage your business. Our professionals manage payroll, pay vendors, prepare quarterly taxes, and create a financial forecast for your business *success*.

*NEW! We offer our clients ways to pay for accounting services via credit card or virtual banking.*



## Contact Us

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## PPP LOAN FORGIVENESS - COVID-19 RELIEF STIMULUS

**Good news!** Your PPP loan could likely be forgiven -- our CPA's implemented new IRS rules and **deducted loan expenses on business client's 2020 taxes.** The SBA Paycheck Protection Program charges 1% interest on loans and, in many cases, will forgive loans for small businesses that qualify. Our CPAs offer consultation services for the Paycheck Protection Program (PPP) to help clients determine SBA loan forgiveness and tax implications.

## IRS Letters Sent To Taxpayers

Concerned about a letter from the **IRS** saying you "owe taxes" or your 2020 tax return was *not* received? If you get a letter from the IRS, *don't worry*—they are experiencing a backlog in processing tax returns. We can confirm your tax return was indeed filed and accepted by the IRS.

## WORKING REMOTELY...

### *Is Your Company Based in Washington State?*

If you work remotely in the greater Seattle area, but your employer is *not* based in Washington state, you may need to change your state withholding tax. **In fact, over 40% of Americans are working remotely during the COVID-19 pandemic and millions will continue in 2021 and beyond...**

The **AICPA** recommends remote workers prepare for 2021 tax filing season:

- Compile a list of states (and dates) where you worked remotely in 2020 and 2021.
- Cities, counties, municipalities, and other jurisdictions may levy income taxes, depending on the state.
- Check your state tax withholding -- or you may discover you owe state taxes, interest, and penalties when you file your taxes.
- Consult your CPA to navigate remote employment questions and manage your state tax liability.

**Digital Solutions** - Sign in to **SmartVault**, our secure file sharing system, to upload your tax and accounting documents. *New to SmartVault?* We will send you an invite link!

**We've gone Virtual!** – To offer client meetings from the comfort of your home, office, or even your local coffee house, let us schedule a tax or accounting meeting via **Zoom!** Call 206-281-9444 or email [Serena@mercerislandaccountants.com](mailto:Serena@mercerislandaccountants.com).

Mercer Island Accountants Pangallo & Associates *provides expert accounting services and will customize a plan just for you! Ask about our Value Pricing Packages. We understand federal, state, and local tax laws to get you the best return.*

Visit [www.mercerislandaccountants.com](http://www.mercerislandaccountants.com) for more information or to schedule a consultation.