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**Here is the breakdown for the new stimulus bill. Pulled from various locations and I have added some of my comments (in red). These are opinions. Remember the bill passing is recent and there is a lot of loose ends and clarification that needs to be done.**

**There are a lot of other parts to this bill not listed below that might impact you. Please do your own research.**

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**Stimulus Checks.** Checks will be \$1,200 per adult - or \$2,400 for married couples filing jointly - and an additional \$500 per child. The amount of the checks would start to phaseout for those earning more than \$75,000 (\$150,000 for joint returns and \$112,500 for heads of household). Phaseouts apply: for every \$100 of income above those thresholds, your check will drop by \$5. So, if you are a single filer earning \$75,100, your check will be \$1,155 (\$1,200-\$5). If you are a single filer earning \$85,000, your check will be \$700 (\$1,200-\$500). If you do the quick math on that, it means that you'll phaseout completely (meaning that you'll get nothing) once you hit \$99,000 as a single filer, \$198,000 as a married couple filing jointly, or \$146,500 for heads of household.

If you haven't filed your 2019 return they will use the 2018 return as the guide to get you the refund. Couple of issues with this section is that if you have an adult on your return (child in college) they will get zero. As I prepare your 2020 return you will have to give me the amount you received and it will be reconciled. So if on your 2019 return you took out a lot of retirement and put you over the limit you will receive nothing in three weeks however when I do your return in 2020 you fell under the limit you will get it. If the opposite happens where you get the money but then you no longer qualify will you pay it back. Forbes says no but others say yes. This will probably be cleared up once the IRS chimes in.

**Unemployment Benefits For Workers.** The bill provides unemployment benefits for workers who are out of work; a temporary Pandemic Unemployment Assistance program would provide benefits for those not traditionally eligible for unemployment benefits, including self-employed workers and independent contractors.

Note that this now includes self-employed and independent contractors. If you received a 1099-Misc for work you did you DO qualify now so go file. They have extended the benefits by 6 weeks and have removed the looking for work clause. In addition they will add \$600 a week for 4 weeks to the benefits in some cases. So if you are out of work due to the virus you should definitely file online. For employers I would expect your rates to increase for years to come. Also if the state borrows from the federal government you will have an increased federal unemployment payment as well.

**Special Rules For Retirement Accounts.** The bill would allow for tax-favored "coronavirus-related" distributions from certain retirement plans of up to \$100,000 (the 10% early withdrawal penalty would not apply). Also, income attributable to those distributions would be subject to tax over three years (as opposed to one). Qualifying taxpayers would also be allowed to repay their retirement plans to make up for money withdrawn to pay coronavirus-related expenses (including loans and distributions).

The key takeaway for me here is the 10% penalty being waived. Your 401k provider or brokerage house will have to give you the terms to qualify and code your 1099-R at year-end correctly. So contact them if you need money.

**Required Minimum Distributions (RMDs).** The proposal would waive RMDs for 2020.

Please contact your brokerage company.

**Charitable Contributions Move Above The Line.** The bill would allow for charitable contributions up to \$300 to be treated as above-the-line deductions.

This is going to be handled the same as educator credits. If you donated \$500 in a year \$300 is a deduction (not a credit) from your income and the rest ends up on your schedule A (which if you don't itemize is not used).

**Over-the-Counter Medical Products Without Prescription.** The bill would allow patients to use funds in HSAs and Flexible Spending Accounts (FSAs) for the purchase of over-the-counter medical products, including those needed in quarantine and social distancing, without a prescription from a physician.

This probably needs clarification. Advil is a drug but there are a lot of supplements and items that may not be. Menstrual items are considered eligible (see Sabrina for details)

**Tax Deadlines.** For C corporations, homeowner associations and 1040 personal tax returns are automatically extended to July 15, 2020. This include the state of Ohio and RITA/CCA.

We are still trying to get peoples taxes done via email/texting/ mailing and drop off. Face to face appointments are not happening until the Stay at Home Ban is lifted by the governor. If your appointment is before that date you will be contacted by Sabrina to reschedule to a later date.

**Suspension Of Student Loans.** The bill suspends payments for student loans under the Federal Family Education Loan and Direct Loan programs - without interest - through September 30, 2020. Additionally, collection efforts for those loans will stop during that time, including garnishments and tax refund offsets.

Pretty straight forward here.

### Disclaimer

Again there is a lot more in the bill and I just touched the surface. These are all the personal tax ones that may impact my clients. Business impacts will be discussed separately. If you have a specific question not cover please contact me or do some research (but stick to the major new outlets)