

Tax & Financial Guide

Business and Personal ACCOUNTING, TAX,
SOFTWARE & FINANCIAL PLANNING SERVICES

Second Quarter Tax Estimates are due June 15, 2021. If you want us to prepare them, you must have your income, deductions and withholding amounts in our office by June 6, 2021.

Please call our office to discuss any of the items in this newsletter that may pertain to you.



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Tax Return Records Due June 30

If we filed a tax return extension for you on May 17, 2021, the returns are due October 15, 2021. To have your tax returns prepared without any extra fees, you must get your records to our office by June 30, 2021.

When you submit your records, please include the amount you received for the first stimulus payment (issued

around March – June 2020) as well as the amount you received for the second stimulus payment (issued Jan – Feb 2021).

You can mail or email your records to us. If you plan to drop them off at our office, make sure you call first because we are open reduced hours this summer.

Save Money With Timely Return of Tax Records

If you do not get your tax return records to us until July, you will be charged an extra 25% preparation fee. If you get your records to us in August, you will be charged an extra 50% to have your tax returns prepared.

In September you will be charged an extra 75% fee to have your tax returns prepared. I am hoping to be at the Huntsman Senior games in Utah in October so it would behoove you to get your tax returns finalized before October.

If we are in the office and doing tax returns in October, we will be charging fees over the extra 75% because they are being prepared at the last minute. Don't count on us being in the office in October because if you think we will be

there and we aren't, you are out of luck.

Save yourself some money and some stress and get your documents to us in June. If you have refunds coming, you might be able to get them sooner and be able to use the cash for fun summer activities.



Aloe And Snake Plants Still Available At Our Office

We still have aloe and snake plants available at our office if you are interested. Just let us know and we can arrange a suitable time for you to pick them up.

Major Delays In Processing and Issuing 2020 Tax Refunds

If you are waiting for your 2020 tax refunds, they are really slow in arriving this year. There are 14 million tax returns in error resolution!

A big percentage of these are due to the stimulus payments. If you gave us the wrong amount of stimulus payment you received in 2020 and Jan 2021, your tax return can be in this black hole.

Since the IRS was still behind in processing tax returns and payments from 2019 taxes, I have no idea when, and if, the IRS will get caught up with their processing of the 2020 tax returns. All I can say is: be patient.

Murphy Financial Services, Inc.

web site is at www.murphyEA.com

If you misplace your newsletters, or your information sheets that I have given you (i.e. contributions, enrolled agents, etc.), you will be able to find them on the web site.

Please note that our e-mail address is: sharon@murphyea.com.

PRIVACY POLICY

We do not disclose any non-public personal information about our clients or former clients to anyone, except as instructed to do so by such clients, or required by law. We restrict access to non-public personal information only to IRS or state authorities and we maintain physical, electronic, and procedural safeguards to guard your personal non-public information.

Child Tax Credit Could Help 39 Million Households

The IRS and the US Treasury Department have announced the Child Tax Credit will begin being sent to taxpayers on July 15, 2021. This credit is aimed to help taxpayers with qualifying children who have lower income.

The government is hoping to help 39 million households covering 88% of the children in the United States. The plan is to send part of the credit to taxpayers during the year, and part of it with 2021 tax return refunds. The advance payments will be monthly starting in July and running through December.

People are worrying that if they get the advance payments and don't qualify when they file their 2021 tax returns, they will owe those payments back to the IRS. If your income increased in 2021, that could be a possibility so it is something we need to look at ahead of

time. The advance payments are estimated based on your 2019 or 2020 tax return income. If you have not already filed your 2020 tax return, the time to file is NOW. When the IRS sets up their online port, you



will have the opportunity to opt out of the advance payments and/or change your address, bank information, income, filing status, or qualifying children - including children born during 2021.

The port hasn't been set up by the IRS yet but they say they will soon announce how and when it will be available.

Families With Varied Incomes Qualify For Child Tax Credits

The IRS and the US Treasury Department have established the following criteria for families to receive child tax credits.

The credits will be paid to taxpayers with income of \$75,000 for individuals, \$112,500 for taxpayers filing head of household, and \$150,000 for married taxpayers filing jointly. For people with income over those levels, the credit will gradually phase out.

The credit will include children who turned 17 in 2021.

The credit is fully refundable.

Families that qualify will receive up to \$3000 per qualifying child between the ages of 6 and 17. Qualifying children under 6 will receive \$3600.

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