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CERTIFIED PUBLIC ACCOUNTANTS

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To our valued clients,

As you may have heard, the Internal Revenue Service (IRS) has extended the Individual Income Tax filing and payment date to July 15, 2020 for the 2019 tax year. Most state taxing authorities have also extended their deadlines to mirror the IRS. Here is what this means for you, our firm, and what to expect in the coming months.

**What this means for you**

The IRS extension is unique in that no penalties and interest will accrue if your 2019 outstanding tax is paid by July 15, 2020 for both Federal and State tax liabilities. This means that filing by the new deadline does not have a cost/penalty. Filing a tax return when owing tax means that the tax payment is not due until the filing deadline. In other words, there is no reason to file a tax return late if it is ready to be filed.

If you and/or we think you will be issued an income tax refund, your tax return will receive slightly higher priority because the IRS and state taxing authorities issue tax refunds upon processing a filed tax return. Conversely, filing a tax return when owing tax means that the tax payment is not due until the filing deadline. In other words, there is no reason to file a tax return late if it is ready to be filed.

If you and/or we think you have a tax liability, we will still prepare your tax return on a first in, first out basis to honor your submission spot in our preparation queue. However, we will give priority to those clients that are due a tax refund, especially those whose income has been impacted by the virus.

**What this means for our firm**

Now that the filing deadline has been extended, our firm will ease up on our work hours and return to a traditional business hours schedule. Our turnaround time on tax returns will likely increase by the elimination of evening and weekend work, in addition to limited time in the office. Without a pressing deadline for tax return filing, this allows our firm to spread the workload to the new filing deadline.

Instead of offering tax return pickup from our office, we will be mailing and/or e-mailing all tax returns. We will be working remotely, so please do not plan on dropping off documents either. Like many businesses, we strive to do our part to minimize the spread of the virus so we all can return to normalcy.

**What to expect in the coming months**

Many things are uncertain right now. We expect processing delays with the taxing authorities, especially in the event of government shutdown and other unknowns. We also anticipate the delayed ripple effects of pending tax documents to be issued, such as form K-1s from Partnerships and S-Corporations, and delayed 1099s. We will maintain our lines of communication and like you, do the best we can with our current limitations.

Please do not hesitate to contact us with questions.

Very truly yours,

Lindeberg & Associates, P.C.