

BLUE BEAR BLUE RIBBON TIMES

A NEWSLETTER TO INFORM OUR CLIENTS ON THE CURRENT
ISSUES AFFECTING THE TAX AND ACCOUNTING WORLD

New W4 Form for 2020

We've had lots of questions regarding the new W4 Form for 2020.

Visit <https://bit.ly/2uY63hZ> to see and download the new form.

Here's a handy video tutorial to help you navigate filling out the form:

<https://www.youtube.com/watch?v=PcmT56aKjC8>

Often Overlooked Tax Deductions:

- Reinvested Dividends
- Child and Dependent Care Tax Credit
- Earned Income Tax Credit
- State taxes paid last year

CALL US FOR MORE!

Tax Deduction or Tax Credit?

A **tax deduction** is anything that reduces your taxable income. Tax deductions subtract from your income and your tax liability goes down. With less taxable income, you owe less in taxes. That's the simple answer. WHAT COUNTS as a tax deduction may not be as simple. Some tax deductions are no longer accessible for middle class families, while others have been extended.

A **tax credit** is an exact reduction in what you OWE. If you owed \$1,500 and receive a tax credit of \$500 (as an example), you would now owe \$1,000. Some tax credits are what is considered a Refundable Tax Credit. Refundable tax credits mean that if you owed \$300 and received a refundable tax credit of \$450, you would actually receive \$150. Most tax credits are not refundable however, so make sure you find out which ones you may be eligible for! *Ask us* for more information!

The Taxpayer Bill of Rights

The Right to Be Informed

Taxpayers have the right to know what they need to do to comply with the tax laws. They are entitled to clear explanations of the laws and IRS procedures in all tax forms, instructions, publications, notices, and correspondence. They have the right to be informed of IRS decisions about their tax accounts and to receive clear explanations of the outcomes.

The Right to Quality Service

Taxpayers have the right to receive prompt, courteous, and professional assistance in their dealings with the IRS, to be spoken to in a way they can easily understand, to receive clear and easily understandable communications from the IRS, and to speak to a supervisor about inadequate service.

The Right to Pay No More than the Correct Amount of Tax

Taxpayers have the right to pay only the amount of tax legally due, including interest and penalties, and to have the IRS apply all tax payments properly.

The Right to Challenge the IRS's Position and Be Heard

Taxpayers have the right to raise objections and provide additional documentation in response to formal IRS actions or proposed actions, to expect that the IRS will consider their timely objections and documentation promptly and fairly, and to receive a response if the IRS does not agree with their position.

The Right to Appeal an IRS Decision in an Independent Forum

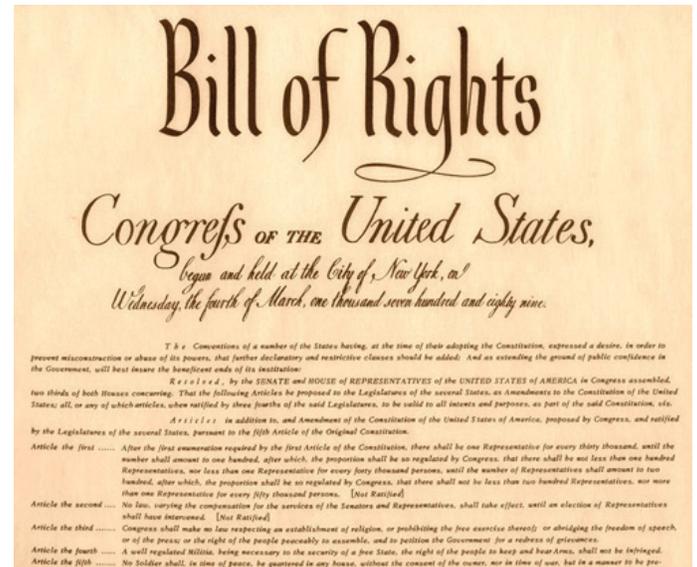
Taxpayers are entitled to a fair and impartial administrative appeal of most IRS decisions, including many penalties, and have the right to receive a written response regarding the Office of Appeals' decision. Taxpayers generally have the right to take their cases to court.

The Right to Finality

Taxpayers have the right to know the maximum amount of time they have to challenge the IRS's position as well as the maximum amount of time the IRS has to audit a particular tax year or collect a tax debt. Taxpayers have the right to know when the IRS has finished an audit.

The Right to Privacy

Taxpayers have the right to expect that any IRS inquiry, examination, or enforcement action will comply with the law and be no more intrusive than necessary, and will respect all due process rights, including search and seizure protections and will provide, where applicable, a collection due process hearing.



The Right to Confidentiality

Taxpayers have the right to expect that any information they provide to the IRS will not be disclosed unless authorized by the taxpayer or by law. Taxpayers have the right to expect appropriate action will be taken against employees, return preparers, and others who wrongfully use or disclose taxpayer return information.

The Right to Retain Representation

Taxpayers have the right to retain an authorized representative of their choice to represent them in their dealings with the IRS. Taxpayers have the right to seek assistance from a Low Income Taxpayer Clinic if they cannot afford representation.

The Right to a Fair and Just Tax System

Taxpayers have the right to expect the tax system to consider facts and circumstances that might affect their underlying liabilities, ability to pay, or ability to provide information timely. Taxpayers have the right to receive assistance from the Taxpayer Advocate Service if they are experiencing financial difficulty or if the IRS has not resolved their tax issues properly and timely through its normal channels.

Coronavirus Information

Due to the Coronavirus (COVID-19) outbreak, many events for the month of March have been cancelled. Measures to prevent the spread of the Coronavirus include:

- Avoid large groups of people and large events (150 or more).
- Wash hands thoroughly with hot soapy water (20 seconds is recommended).
- Wash and sanitize surfaces (this includes your cell phone).

Reasoning for Closures:

There are many memes and ideas running wild on the internet. While some are humorous, they may not be the best idea to follow as they often contain misinformation. Though difficult, one of the reasons for school and business closures is to REDUCE the spread of the virus and help contain it. By cooperating and remaining somewhat isolated, the virus is less able to spread and the duration and severity of the outbreak is reduced.

Ideas During Isolation:

- Board Games
- Card Games
- Read a Book
- Write a Song
- Learn to Paint/Draw (do anything you've never had the time to do).
- Take a walk/hike. Being out in nature is good for you and you can avoid large groups at the same time!

Loss of Income?

Congress is currently working to find remedies for those who will lose business, jobs, etc during this time of uncertainty. Employers should be keeping an eye out for tax credits to cover the costs of sick leave of those who contract the Coronavirus. There are other measures that may help you and we will try to alert you as more information comes out about government action to support all Americans.

Keep Calm

It's important to take care of yourself and your family. Get some exercise, take a calming bath, tidy up a closet/drawer/storage bin you've been meaning to tackle, watch The Hobbit and Lord of the Rings and all the Harry Potter movies... or a series you've been wanting to catch up on!