

IRS NEWS FOR BUSINESS

April 2021

► UPCOMING WEBINARS

IRS webinar: Hearing All Voices – Small Business Workshop and Listening Session

This workshop is for multicultural small business owners, organizations and associations who do business with them.

During the Workshop and Listening Session we will cover the following information:

- Small Business Essentials: Hear from IRS on estimated taxes, self-employment tax, withholding tools for employers and more.
- Interacting with IRS: Hear about examination and collection processes.
- Being an Employer 101: Get an overview of employment taxes (employee vs. independent contractor rules and the Trust Fund Recovery Penalty.
- Appeals: Hear about appeals fast track settlement program, collection due process and much more.
- Taxpayer First Act: Give your input on how the IRS can improve service to small business owners.
- Listening session: We want to hear from you.

Registration: Please choose your preferred date, then send your registration information to the appropriate e-mail address. The email should include the date you are registering for, your name and phone number.

- **Thursday, May 6, 2021, 2 p.m. - 4 p.m. (ET)**
Southern CA: Southern CA, AZ and NM
Email: CL.SL.Area.5@irs.gov
- **Wednesday, May 19, 2021, 10 a.m. - 12 p.m. (ET)**
DC, VA, TN, KY, OH, and MI
Email: CL.SL.Area.3@irs.gov
- **Tuesday, June 22, 2021, 10 a.m. - 12 p.m. (ET)**
NEWARK, NJ: NJ, DE, WV, PA, and MD
Email: CL.SL.Area.2@irs.gov
- **Thursday, June 24, 2021, 1: p.m. - 3 p.m. (ET)**
BOSTON, MA; MA, ME, VT, NH, CT, and RI
Email: CL.SL.Area.2@irs.gov

► RECENTLY POSTED TO THE IRS VIDEO PORTAL

www.irsvideos.gov

Topic: Choosing a Paid Tax Return Preparer – Avoid “Ghost Preparers”

Aired: Thursday, February 18, 2021

View: [IRS Video Portal](#)

The full transcript is provided as closed captioning and the PowerPoint is posted for downloading under the "Slides PDF" link.

► HOT TOPICS

[Tax Day for individuals extended to May 17: Treasury, IRS extend filing and payment deadline | Internal Revenue Service](#)

- The Treasury Department and Internal Revenue Service announced that the federal income tax filing due date for individuals for the 2020 tax year will be automatically extended from April 15, 2021, to May 17, 2021. The IRS will be providing formal guidance in the coming days.

[IRS Statement - American Rescue Plan Act of 2021 | Internal Revenue Service](#)

- The IRS is reviewing implementation plans for the newly enacted American Rescue Plan Act of 2021. Additional information about a new round of Economic Impact Payments, the expanded Child Tax Credit, including advance payments of the Child Tax Credit, and other tax provisions will be made available as soon as possible on IRS.gov. The IRS strongly urges taxpayers to not file amended returns related to the new legislative provisions or take other unnecessary steps at this time.

[Third Economic Impact Payment | Internal Revenue Service \(irs.gov\)](#)

- The third round of Economic Impact Payments was authorized by the American Rescue Plan Act of 2021 as an advance payment of the tax year 2021 Recovery Rebate Credit.
- The IRS started issuing the third Economic Impact Payments to eligible individuals on March 12, 2021, with more payments sent by direct deposit and through the mail as a check or debit card in the weeks that follow. The IRS will continue to issue payments throughout the year as tax returns are processed.

[2020 Recovery Rebate Credit | Internal Revenue Service \(irs.gov\)](#)

- The first two rounds of Economic Impact Payments were advance payments of the 2020 Recovery Rebate Credit. Most eligible people already received the payments and won't include this information on their 2020 tax return.
- If you didn't get a first and second Economic Impact Payment or got less than the full amounts, you may be eligible to claim the 2020 Recovery Rebate Credit and must file a 2020 tax return even if you don't usually file a tax return.

► VICTIMS OF TEXAS WINTER STORM

[Victims of Texas winter storms get deadline extensions and other tax relief](#)

- Victims of this month's winter storms in Texas will have until June 15, 2021, to file various individual and business tax returns and make tax payments

- The tax relief postpones various tax filing and payment deadlines that occurred starting on February 11. As a result, affected individuals and businesses will have until June 15, 2021, to file returns and pay any taxes that were originally due during this period.

► VICTIMS OF OKLAHOMA WINTER STORM

- Victims of winter storms that began February 8, 2021 now have until June 15, 2021, to file various individual and business tax returns and make tax payments, the Internal Revenue Service announced.
- Following the recent disaster declaration issued by the Federal Emergency Management Agency, the IRS announced that affected taxpayers will receive tax relief.
- Individuals and households affected by severe winter storms that reside or have a business in all 77 counties in Oklahoma qualify for tax relief. The declaration permits the IRS to postpone certain tax-filing and tax-payment deadlines for taxpayers who reside or have a business in the disaster area.

► ECONOMIC IMPACT PAYMENTS AND THE RECOVERY REBATE CREDIT

- [FAQs for EIP 1](#)
- [FAQs for EIP 2](#)
- [FAQs for EIP 3](#)
- [RRC FAQs](#)

► A CLOSER LOOK

[Two Sides, One Goal: Preventing and Resolving Disputes with the IRS](#)

- Get A Closer Look at how the IRS equips businesses with knowledge to help them prevent or resolve tax disputes. The IRS is committed to minimizing the frequency of disputes with business taxpayers and to efficiently resolve those that happen.

[IRS Employees Step Up to Help Others During the COVID-19 Pandemic](#)

- IRS Commissioner offers A Closer Look at how IRS employees are meeting COVID-19 related challenges at work and in their communities. Get A Closer Look at how IRS employees have carried out the agency's mission and played active roles in their communities to help those in need during the pandemic.

► NEWS RELEASES

[Face masks and other personal protective equipment to prevent the spread of COVID-19 are tax deductible | Internal Revenue Service \(irs.gov\)](#)

- The Internal Revenue Service issued [Announcement 2021-7](#) [PDF](#) clarifying that the purchase of personal protective equipment, such as masks, hand sanitizer and sanitizing wipes, for the primary purpose of preventing the spread of coronavirus are deductible medical expenses.
- The amounts paid for personal protective equipment are also eligible to be paid or reimbursed under health flexible spending arrangements (health FSAs), Archer medical savings accounts (Archer MSAs), health reimbursement arrangements (HRAs), or health savings accounts (HSAs).

[Tax Time Guide: Use the Where's My Refund? tool or IRS2Go app to check tax refund status | Internal Revenue Service](#)

- The Internal Revenue Service reminds taxpayers that the most convenient way to check on a tax refund is by using the [Where's My Refund?](#) tool at IRS.gov or through the [IRS2Go Mobile App](#).
- Taxpayers can start checking their refund status within 24 hours after an e-filed return is received. In addition, Where's My Refund provides a personalized date after the return is processed and a refund is approved.

[Tax Time Guide: IRS reminds taxpayers of recent changes to retirement plans | Internal Revenue Service](#)

- The Internal Revenue Service reminded taxpayers about the rules for [required minimum distributions \(RMDs\)](#) from retirement accounts.
- A retirement plan account owner must normally begin taking an RMD annually starting the year he or she reaches 70 ½ or 72, depending on their birthdate and maybe the year they retire. Retirement plans requiring RMDs include traditional, Simplified Employee Pension Plan (SEP) and Savings Incentive Match Plan for Employees (SIMPLE) Individual Retirement Accounts; 401(k), 403(b), 457(b), profit sharing and other defined contribution plans.

[IRS expands help to taxpayers in multiple languages with new forms, communication preferences | Internal Revenue Service](#)

- The Internal Revenue Service said that it continues its efforts to expand ways to communicate to taxpayers who prefer to get information in other languages. For the first time ever, the agency has posted to IRS.gov a [Spanish language version of Form 1040](#) [PDF](#) and the [related instructions](#) [PDF](#).
- "Being able to talk to and receive information from the nation's tax agency in their preferred language is something we hope to eventually provide to all taxpayers," said IRS Commissioner Chuck Rettig. "We want everyone to be on the same playing field, so to speak, and each day that we can move forward with that goal is a good one."

[Tax Time Guide: Get credit for IRA contributions made by April 15 on 2020 tax returns | Internal Revenue Service \(irs.gov\)](#)

- The Internal Revenue Service notes that taxpayers of all ages may be able to claim a deduction on their 2020 tax return for [contributions to their Individual Retirement Arrangement \(IRA\)](#) made through April 15, 2021. There is no longer a maximum age for making IRA contributions.

- An [IRA](#) is designed to enable employees and the self-employed to save for retirement. Most taxpayers who work are eligible to start a traditional or Roth IRA or add money to an existing account.

Tax Time Guide: Make protecting tax and financial information a habit

- The Internal Revenue Service urged people to continue practicing proper cybersecurity habits by securing computers, phones and other devices. Scams and schemes using the IRS as a lure can take on many variations, so practicing personal information security is vital. Additional help is available in [Publication 17, Your Federal Income Tax](#).

Tax Time Guide: Make IRS.gov first stop for tax help | Internal Revenue Service

- The Internal Revenue Service reminds taxpayers that its website, IRS.gov, continues to be the first and best place for people seeking information and assistance on their federal taxes. It is available 24 hours a day from the comfort of home, on a desktop, or from just about anywhere with a mobile device.
- The array of [online tools and resources](#) available at IRS.gov range from tax preparation and refund tracking to research tools like the [Interactive Tax Assistant](#) and answers for [Frequently Asked Questions](#) on many subjects.

Here's how taxpayers can track the status of their refund

- Tracking the status of a tax refund is easy with the [Where's My Refund?](#) tool. It's conveniently accessible at IRS.gov or through the [IRS2Go App](#).
- Taxpayers can start checking their refund status within 24 hours after an e-filed return is received.
- Where's My Refund provides a personalized date after the return is processed and a refund is approved. While most tax refunds are issued within 21 days, some may take longer if the return requires additional review.

People should check Get My Payment for status of third EIP and watch their mail

- The IRS continues to issue the [third round of Economic Impact Payments](#) to eligible individuals, with payments being issued as a direct deposit or by mail as a paper check or prepaid EIP debit card. No action is needed by most eligible people to receive a third Economic Impact Payment automatically.
- People can check to see if their third payment has been scheduled using the [Get My Payment](#) tool on IRS.gov. The tool does not show the amount of the third Economic Impact Payment.
- The form of payment for the third EIP may be different than earlier stimulus payments. More people are receiving direct deposits, while those receiving a payment in the mail may get a paper check or an EIP Card. IRS and the Treasury Department urge eligible people to check Get My Payment and see whether their payment has been scheduled for delivery as a direct deposit or by mail as a check or EIP card.

[Answers to tax questions are available anytime on IRS.gov](#)

- IRS.gov is always available and has tools to help people file and pay taxes, find information about their account, and get answers to tax questions.
- Here are a few things that people can do with a visit to IRS.gov.
 - File a tax return
 - Pay taxes online
 - View federal tax information online
 - Get answers to tax questions
 - Learn more about the recovery rebate credit and the third round of Economic Impact Payment

[IRS is issuing third round of Economic Impact Payments](#)

- The IRS started issuing the third round of Economic Impact Payments. No action is needed by most taxpayers. The IRS will issue payments automatically by direct deposit and through the mail as a check or debit card.
- Many people will receive the third payment the same way they received the first and second Economic Impact Payments. Because these payments are automatic for most eligible people, there's no need to contact financial institutions or the IRS. People can check the [Get My Payment](#) tool on IRS.gov for status of their third stimulus payment.

[The right to confidentiality is a fundamental right of all taxpayers](#)

- Information a taxpayer gives the IRS won't be shared with outside parties, unless allowed by the taxpayer or by law. This is the right to confidentiality. It's one of ten rights known collectively as the [Taxpayer Bill of Rights](#).

[Here's how people can request a copy of their previous tax return](#)

- Taxpayers who didn't save a copy of their prior year's tax return, but now need it, have a few options to get the information. Individuals should generally keep copies of their tax returns and any documents for at least three years after they file.
- If a taxpayer doesn't have this information here's how they can get it:
 - Ask the software provider or tax preparer
 - Get a tax transcript
 - Request a copy of a tax return from the IRS

[What employers need to know about repayment of deferred payroll taxes](#)

- To give people a needed temporary financial boost, the Coronavirus, Aid, Relief and Economic Security Act allowed employers to defer payment of the **employer's** share of Social Security tax. [IRS Notice 2020-65 PDF](#) allowed employers to defer withholding and payment of the **employee's** Social Security taxes on certain wages paid in calendar year 2020. Employers must pay back these deferred taxes by their applicable dates.

[IRS provides resources and services for visually impaired taxpayers](#)

- The IRS [Alternative Media Center](#) offers resources and accessibility services for taxpayers. Tax-related content is available in several formats for use with assistive

technology. This includes screen reading software, refreshable Braille displays and screen magnifying software.

[Tips to help taxpayers spot and avoid tax scams](#)

- Tax season is also busy season for savvy criminals. Scammers impersonating the IRS either over-the-phone, by email or in-person can steal money from people. All taxpayers should stay vigilant against these schemes.

[IRS Online Account can help taxpayers get ready to file their tax return](#)

- Taxpayers can securely access and view their IRS tax information anytime through their individual [online account](#). They can see important information when preparing to file their tax return or following up on balances or notices. This includes:
 - Adjusted gross income
 - Economic Impact Payments
 - Estimated tax payments

[IRS extends additional tax deadlines for individuals to May 17](#)

- The Internal Revenue Service today announced that individuals have until May 17, 2021 to meet certain deadlines that would normally fall on April 15, such as making IRA contributions and filing certain claims for refund.
- This follows a [previous announcement](#) from the IRS on March 17, that the federal income tax filing due date for individuals for the 2020 tax year was extended from April 15, 2021, to May 17, 2021. [Notice 2021-21 PDF](#) provides details on the additional tax deadlines which have been postponed until May 17.

► NEWS FOR BUSINESSES and EMPLOYERS

[IRS provides guidance for employers claiming the Employee Retention Credit for 2020, including eligibility rules for PPP borrowers](#)

- The Internal Revenue Service issued guidance for employers claiming the employee retention credit under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), as modified by the Taxpayer Certainty and Disaster Tax Relief Act of 2020 (Relief Act), for calendar quarters in 2020. The guidance in [Notice 2021-20 PDF](#) is similar to the information in the [employee retention credit FAQs](#), but includes clarifications and describes retroactive changes under the new law applicable to 2020, primarily relating to expanded eligibility for the credit.

[Marijuana Industry](#)

- Businesses that traffic marijuana in contravention of federal or state law are subject to the limitations of [Internal Revenue Code \(IRC\) Section 280E](#). The Marijuana Industry FAQs, linked below, address federal tax filing and information report requirements specific to taxpayers in this industry.
- For more information see the Marijuana Industry FAQs: [Marijuana Industry Frequently Asked Questions](#)

► NEWS FROM OTHER AGENCIES

From the SBA: [Paycheck Protection Program Extended to May 31](#)

- As President Joe Biden signed the PPP Extension Act of 2021 into law, extending the Paycheck Protection Program an additional two months to May 31, 2021, and providing an additional 30-day period for the SBA to process applications that are still pending.

► OUTREACH CONNECTION

Free tax content you can share: [Outreach Connection](#)

- If you need to share information about taxes with your staff, clients, customers or colleagues, we have content you can include in your:
 - Website
 - e-Newsletter
 - Twitter, Instagram or other social media
- We add more items to this page every month. [Subscribe](#) now to get email alerts.

► e-NEWS SUBSCRIPTIONS and SOCIAL MEDIA

[e-News Subscriptions](#)

- The IRS offers several e-News subscriptions on a variety of tax topics. Click above for information about subscribing.

[IRS Social Media](#)

- The IRS uses social media tools to share the latest information on tax changes, scam alerts, initiatives, products and services. Connect with the IRS through social media tools.

► HOW TO SHARE IRS INFO ON SOCIAL MEDIA

When you find an article you want to share, click on the “Share” link. Like so:

- Scroll to the bottom of any page on IRS.gov. Look for “Share / Print”



- Click on Share
- You can share on Facebook, Twitter, or LinkedIn.