

IRS NEWS FOR BUSINESS

May 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 YouTube Channel

[IRSvideos - YouTube](#)

Topic: **Recovery Rebate Credit**

Posted: Tuesday, April 13, 2021

View: [IRS Economic Impact Payments and the Recovery Rebate Credit](#)

If you're eligible and didn't receive the first two Economic Impact Payments, or you didn't get the full amount you're eligible for, you may be able to claim the recovery rebate credit.

Topic: EIP on Your Tax Account

Posted: Tuesday, April 13, 2021

View: [IRS Economic Impact Payments on Your Tax Account](#)

Need to know the amount of your first and second Economic Impact Payments to claim the Recovery Rebate Credit? If you don't have the #IRS notices, you can sign up for an account on IRS.gov to find your payment amounts online.

► 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 Operations During COVID-19](#)

- The IRS is now opening mail within normal timeframes. The IRS has also made significant progress in processing prior year returns. The IRS understands the importance of timely processing of tax returns and refund issuance. Taxpayers are encouraged to continue to check [Where's My Refund?](#) for their personalized refund status and can review [Tax Season Refund Frequently Asked Questions](#).

[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 February'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.

► VICTIMS OF KENTUCKY SEVERE STORMS

- Victims of severe storms, flooding, landslides and mudslides that began February 27, 2021 now have until June 30, 2021, to file various individual and business tax returns and make tax payments, the Internal Revenue Service announced.

► VICTIMS OF ALABAMA SEVERE STORMS

- Victims of severe storms, flooding, landslides and mudslides that began March 25, 2021 now have until August 2, 2021, to file various individual and business tax returns and make tax payments, the Internal Revenue Service announced.

► 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

[2021 Tax Tips and Some Motherly Advice](#)

- Get A Closer Look at the 2021 Tax Filing Season. The IRS offers up tax tips on filing your 2020 tax returns. From electronic filing and online resources to claiming the new Recovery Rebate Credit, find out more about what the IRS is doing during the pandemic to help taxpayers navigate these unusual circumstances to file your taxes this year.

[Impacting the Tax Gap](#)

- Commissioner Chuck Rettig discusses how the IRS is working to reduce the Tax Gap.

[IRS Independent Office of Appeals](#)

- Get to know the IRS Independent Office of Appeals and how they work with taxpayers.

► NEWS RELEASES

[IRS now accepting TCE and VITA grant applications](#)

- Eligible organizations can now submit applications for the Internal Revenue Service's Tax Counseling for the Elderly and Volunteer Income Tax Assistance grant programs, allowing some organizations to apply for up to three years of annual funding.

[Draft Schedules K-2 and K-3 released to enhance reporting of international tax matters by pass-through entities](#)

- The Treasury and the IRS released updated early drafts of new Schedules K-2 and K-3 for Forms 1065, 1120-S, and 8865 for tax year 2021 (filing season 2022).

[IRS has options for gig economy workers and those with unemployment benefits](#)

- The Internal Revenue Service reminds workers in the gig economy and those who claimed unemployment compensation in 2020 of their options and where to find information on meeting their tax obligations.

[IRS: Some people get more time to file without asking; anyone else can request an automatic extension](#)

- Anyone can request an automatic tax-filing extension, but some people get extra time without asking, according to the Internal Revenue Service.

[Electronic options on IRS.gov are available 24/7](#)

- The Internal Revenue Service urged taxpayers and tax professionals to continue using electronic options to speed the processing of tax returns, refunds, and payments.

Treasury Department and IRS provide safe harbor for small businesses to claim deductions relating to first-round Paycheck Protection Program loans

- The Treasury Department and the Internal Revenue Service issued Revenue Procedure 2021-20 for certain businesses that received first-round Paycheck Protection Program (PPP) loans but did not deduct any of the original eligible expenses because they relied on guidance issued before the enactment of tax relief legislation in December of 2020.

American Rescue Plan tax credits available to small employers to provide paid leave to employees receiving COVID-19 vaccines; new fact sheet outlines details

- The Internal Revenue Service and the Treasury Department announced further details of tax credits available under the American Rescue Plan to help small businesses, including providing paid leave for employees receiving COVID-19 vaccinations.

Those experiencing homelessness can get Economic Impact Payments and other tax benefits; permanent address not required

- The Internal Revenue Service continues an ongoing effort to help those experiencing homelessness during the pandemic by reminding people who don't have a permanent address or a bank account that they may still qualify for Economic Impact Payments and other tax benefits.

IRS suspends requirement to repay excess advance payments of the 2020 Premium Tax Credit; those claiming net Premium Tax Credit must file Form 8962

- The American Rescue Plan Act of 2021 suspends the requirement that taxpayers increase their tax liability by all or a portion of their excess advance payments of the Premium Tax Credit (excess APTC) for tax year 2020.

IRS urges participants of abusive micro-captive insurance arrangements to exit from arrangements

- Internal Revenue Service officials urged participants in abusive micro-captive insurance arrangements to exit these transactions as soon as possible.

Treasury, IRS provide guidance on tax relief for deductions for food or beverages from restaurants

- The Treasury Department and the Internal Revenue Service issued Notice 2021-25 providing guidance under the Taxpayer Certainty and Disaster Relief Act of 2020.
- Beginning January 1, 2021, through December 31, 2022, businesses can claim 100 percent of their food or beverage expenses paid to restaurants as long as the business owner (or an employee of the business) is present when food or beverages are provided and the expense is not lavish or extravagant under the circumstances.

[IRS has refunds totaling \\$1.3 billion for people who have not filed a 2017 federal income tax return](#)

- Unclaimed income tax refunds worth more than \$1.3 billion await an estimated 1.3 million taxpayers who did not file a 2017 Form 1040 federal income tax return, according to the Internal Revenue Service.

[IRS provides guidance for employers claiming the Employee Retention Credit for first two quarters of 2021](#)

- The Internal Revenue Service issued guidance for employers claiming the Employee Retention Credit under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) modified by the Taxpayer Certainty and Disaster Tax Relief Act of 2020 (Relief Act).

► **NEWS FOR BUSINESSES and EMPLOYERS**

[IRS urges employers to take advantage of the Work Opportunity Tax Credit](#)

- Giving someone a work opportunity may translate into a business tax credit for you and greater stability for a family. The [Work Opportunity Tax Credit \(WOTC\)](#) is a federal tax credit available to employers for hiring individuals from certain targeted groups who have consistently faced significant barriers to employment.

► **NEWS FROM OTHER AGENCIES**

From the SBA:

The Shuttered Venue Operators Grant application will reopen on **Monday, April 26, 2021 at 12:00 p.m. EDT**. In preparation for the opening, potential applicants should [register on the portal](#) in advance. Applicants will also need a smartphone and a multi-factor authenticator app to register and apply.

► **OUTREACH CONNECTION**

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

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 - Twitter, Instagram or other social media
- We add more items to this page every month. [Subscribe](#) now to get email alerts.

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[e-News Subscriptions](#)

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[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.

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