

Deadlines & Misc.

Third Quarter Estimated Tax Payments are due Tuesday, September 15, 2020.

TAX DEADLINES

September 15, 2020 is the deadline for timely filing extended **Corporate** and **Partnership** returns. **Fiduciary** (trust/estate) returns are due September 30.

2019 RETIREMENT PLANS

Employer contributions for tax-year 2019 are also due on September 15, 2020 for corporations and partnerships. Individual proprietors must make employer contributions by October 15, 2020.

PERSONAL PROPERTY TAX

Second half payments for 2020 (for the 2019 tax assessment) are due on October 31, 2020.

UNCLAIMED PROPERTY

Unclaimed property reports are due on October 31, 2020 for the reporting period July 1, 2016 through June 30, 2017. The most common unclaimed property items in a dental office are uncashed refund checks to patients.

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Helping Dentists Make Smart Decisions about Money

2020 Tax Planning Remains a Moving Target

With the due date looming for third quarter estimated tax payments, there still remains much uncertainty when it comes to projecting year-end income tax liabilities. Normally, relying on the prior year safe harbor is a “simple” approach that allows you to pay in either 100% or 110% (based on your income level) of your prior year tax to avoid underpayment penalties. With revenues down across the board in 2020 for most practices, this approach would result in large overpayments during a time when cash may still be tight.

Many of you may have paid in a smaller amount for quarters 1 and 2 based on reduced revenues. As business has likely picked up the past few months, you may now have to make a revised estimate for your remaining quarterly payments. On top of all this, as the law currently stands, expenditures paid with funds from your PPP Loan are not tax deductible. Congress has made it clear this was not their intent, but no action has yet been taken. Be sure you check in with your account manager if you are unsure of what your estimated payments should be.

Retirement Plan Credits for Employers

Given the amount of news earlier in the year, you may not have noticed a new tax credit that was created as part of the SECURE Act. Starting in tax year 2020, small employers who establish an eligible automatic contribution arrangement (EACA) can receive a \$500 tax credit for up to three years. Employees are still free to choose whether they want to participate in a retirement plan and how much to contribute, but an EACA creates a default percent to contribute for those who do not make any such elections. You should discuss updating your plan to include this option with your Third Party (Pension) Administrator and your DG Account Manager **and be sure to let us know if you do add the EACA to your Plan** so we can make sure you receive the credit on your tax return.

If you have a SIMPLE Plan you can qualify – but it may be difficult to have this language added to your Plan – unless you use a plan document service that provides custom plans; however, this also creates an issue if your SIMPLE Plan custodian utilizes their own document. We will be inquiring with our most used custodian to see if this option will be added to their SIMPLE plans. This credit applies to new plans and existing plans to which this feature is added.

This new credit is in addition to the previously existing credit for employers who establish a **new** qualified retirement plan, with increased amounts under the SECURE Act. Employers can get a credit for 50% of the costs required to setup and administer the plan, with the limit increased to \$5,000 per year for three years depending on the number of eligible employees.

THIRD QUARTER 2020 ESTIMATED PAYMENTS

THIS IS ONLY FOR THOSE THAT PAY BY QUARTERLY INSTALLMENTS

INSTRUCTIONS:

If you do not have pre-printed vouchers and envelopes: (If we have prepared your 2019 return, you will find pre-printed estimated tax payment vouchers in your online secure portal or in your folder if we mailed your tax return to you)

1. Detach or photocopy the voucher below.
2. Complete the name, address and social security number sections.
3. Fill in amount (call us at 425.216.1612 if you have questions regarding the amount).
4. Address your envelope to:

**Internal Revenue Service
PO Box 510000
San Francisco, CA 94151-5100**

5. Follow the instructions below for pre-printed vouchers.

If you are using pre-printed vouchers:

1. Make your check payable to the **United States Treasury**.
 2. Note your social security number and “2020 1040-ES” on the memo line of your check.
 3. Enclose the voucher and check in your envelope addressed to the Internal Revenue Service (see above).
 4. Mail on or before Tuesday, September 15, 2020.
- **Want to make future estimated payments on line? Sign up at [EFTPS.gov](https://eftps.gov) – This very convenient site allows you to enter multiple payments and dates in advance. Call us if you need help!**

Tear off here

Form	1040-ES Department of the Treasury Internal Revenue Service	<h2 style="margin: 0;">2020 Estimated Tax</h2>	Payment Voucher 3	OMB No. 1545-0074
File only if you are making a payment of estimated tax by check or money order. Mail this voucher with your check or money order payable to “United States Treasury.” Write your social security number and “2020 Form 1040-ES” on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this voucher.			Calendar year – Due Sept. 15, 2020	
			Amount of estimated tax you are paying by check or money order.	
			Dollars	Cents
Print or type	Your first name and middle initial	Your last name	Your social security number	
	If joint payment, complete for spouse			
	Spouse’s first name and middle initial	Spouse’s last name	Spouse’s social security number	
	Address (number, street, and apt. no.)			
	City, state, and ZIP code. (If a foreign address, enter city, also complete spaces below.)			
	Foreign country name	Foreign province/county	Foreign postal code	