



DEADLINES

February 1, 2021 –

Deadline for all Forms 1099-NEC filing including e-filed forms

Deadline for all payroll tax reports, W-2's & W-3

March 1, 2021 –

Deadline for 1099-MISC if paper filing

March 15, 2021 –

Deadline for filing S-Corp and Partnership Tax Returns or Extensions

March 31, 2021 –

Deadline for 1099-MISC if e-filing

QUICKBOOKS

QuickBooks Pro 2021 is now available for purchase. Please update to QuickBooks 2021 if you are currently using 2019 or older. Or talk with us regarding switching to QuickBooks Online – this may be the best option for most!

IRS STANDARD AUTO MILEAGE RATE

The standard reimbursement rate for automobiles is 57.5 cents per mile for 2020 and 56 cents per mile for 2021.

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Key Practice Management and Accounting Updates

NEW PORTAL SYSTEM & 2020 TAX PREPARATION

This year, after much feedback, we plan to provide a software solution that simplifies tax time by replacing our existing NetClient CS solution. The solution is called TaxCaddy. TaxCaddy makes it easier than ever to gather your 1040 tax documents and deliver them to us, communicate with us, answer your questionnaire electronically, and sign documents like the e-file authorization. We're excited about this powerful, free, secure solution and we think you will be too!

Come early January, you'll receive an email to create your TaxCaddy account. The email will contain instructions with three easy steps to get started. So, be on the lookout for the TaxCaddy invitation email (and be sure to check your email's junk filter).

2020 Individual Tax Requests will be delivered to your TaxCaddy account the week of January 18th. If you do not receive yours, please call us! If you would prefer a traditional paper organizer, call the office and we can drop it in the mail to you.

We request that all individual tax information regardless of delivery format be received in our office no later than February 19th. If you have ownership in pass-through entities that issue Forms K-1, please do not wait for these before sending us your tax documents as they can be quite late. Submit everything you have by February 19th and we can add K-1 activity or other items when received.

PERSONAL TAX PAYMENTS - EFTPS

The Electronic Federal Tax Payment System (EFTPS) can be your best friend when it comes time to make estimated tax payments. On demand and on time payments can be done 24/7, no postage required. You can even make multiple payments well in advance allowing those making quarterly estimated payments to enter all four estimates for the year. <https://www.eftps.gov/eftps/direct/Help.page>.

Or you may go directly to www.irs.gov and make a payment there.

IRS EXPANDS IDENTITY PROTECTION PIN PROGRAM

For years, the IRS has issued Identity Protection PIN numbers to taxpayers who have been victims of identity theft. This number is required to be included when electronically filing a tax return and can cause significant delays if not included when paper filing. A different number is issued each year the account remains susceptible to fraud.

Starting in January 2021, taxpayers can now opt in to this program, even if they have not experienced identity theft. It requires passing a rigorous verification process online. More information can be found on the IRS website.

SALARY SCHEDULES FOR OFFICERS

Salary schedules for corporate officers have been mailed out for the year 2021. Please be sure you have changed your salary and withholding per this schedule with your payroll company. If uncertain, please contact us as soon as possible.

PAYROLL TAX RATE NOTICES

State Unemployment and L&I Rate notices for 2021 have been mailed by the State. Please be sure to forward these to your payroll company as soon as possible.

UNANIMOUS CONSENT FORMS FOR CORPORATIONS

If you have received any correspondence from your attorney regarding unanimous consent or annual minutes for your business entity, please be sure to forward it to us. We prepare the information as we complete the business return and will provide that to you for signature and return mailing to the attorney.

FORMS 1099 & 1096 – CHANGES FOR TAX YEAR 2020

Form 1099-MISC has been used for years to report payments greater than \$600 made to independent contractors and other non-incorporated recipients including rent, interest, and legal expenses. A new Form 1099-NEC must be used for tax year 2020 to report non-employee compensation. Essentially, what used to be reported in Box 7 of 1099-MISC moves to this new form. The 1099-MISC is still used to report other payments.

The due dates have also changed slightly. Forms 1099-NEC are due to both the recipient and the IRS by January 31st. Forms 1099-MISC are due by February 28th for paper filing and March 31st for e-filing. There are penalties for failing to file, so be sure you are in compliance in this regard. We are happy to provide resources and support for those choosing to file electronically for the first time. If you need help with e-filing or understanding 1099s and who you need to issue them to, give us a call!

FORMS 1099-MISC (Those you receive)

All Dental Practices will receive Forms 1099 from third party payers. In most cases, you need only collect these and keep them in a safe place. However, there are instances where the payer may withhold federal income tax from the payment they make to you and that withheld tax will be reported on Forms 1099. You may want to peruse your 1099s to be sure tax is not reported and to make sure that there are no interest or dividend 1099s mixed in with your healthcare services 1099s. Interest and dividends will need to be reported on your applicable tax return. If you find any 1099s with withholding and/or any types of 1099s other than healthcare services, please be sure to forward these to us so that we can report it on your tax return and contact that payor to correct their records so they no longer withhold tax from your payments.