



Covid-19 Resources

FAQs – April 16, 2020

Getting you the answers to the many questions related to Covid-19 and its impact to you is our first priority.

Things continue to evolve and change very rapidly, but please know that our team is working as quickly as possible to understand all that is taking place and going to the source for the answers. Our goal is to get you answers and information that is in **your** best interest and not get waylaid with distractions.

Q1. – When I try to do payroll, I get a question from the payroll company asking if I want to defer my payroll taxes. Do I want to?

Answer: Under the CARES Act, you are now allowed to defer the payment of the employer’s share of social security taxes through the end of this year. These taxes must still be repaid to avoid failure to pay penalties; 50% by December 31, 2021 and the remaining by December 31, 2022.

It is important to note that you will no longer be eligible for deferral of these taxes the moment you receive partial or full loan forgiveness under the PPP loan program. For those forgoing the PPP loan program and instead claiming the employee retention credit, you are eligible to defer taxes prior to claiming the credit. It remains unclear whether the deferral of tax will be applied against your refundable credit and whether the IRS will allow you to continue to defer once the credit has been claimed.

Given the accounting challenge and interaction between other CARES Act provision, we recommend you only defer these taxes if you are paying full wages and/or are strapped for cash. If you do decide to defer, be sure to work closely with your payroll company and ensure that these are being properly tracked and paid on time.

Q2. – Am I going to get an IRS economic impact payment (EIP)? Can I update my bank account for direct deposit if the IRS doesn’t have the account information?

Answer: The IRS has launched a new tool on its website ([IRS Website](#)) that allows you to determine if you are eligible for the EIP; determine the amount of the payment; anticipated delivery date; and add direct deposit information to speed delivery if you did not already establish direct deposit banking information on your most recently filed tax return. Please note that the website is frequently crashing so you may need to check a few times before you will get an answer.

Taxpayers tracking the status of their EIP will need to enter the following information:

- Social Security number;
- Date of birth, and
- The mailing address they used on their 2018 or 2019 return, whichever was filed most recently.

Taxpayers who need to add their direct deposit information to speed receipt of their EIP will need to enter the following additional information:

- The adjusted gross income from their 2018 or 2019 return, whichever was filed most recently;
- The refund or amount due reported on that return; and
- The account type (i.e. checking, savings, etc.) and account and routing numbers of the account where the EIP should be direct deposited.

The Information Release states that “Get My Payment” cannot update bank account information after an EIP has been scheduled for delivery. Also, the Get My Payment tool does not allow people to change bank account information already on file with the IRS.

Income Levels for EIP:

Singles: Check up to \$1,200 on Adjusted Gross Income (AGI) up to \$75,000 and phased down to zero at \$99,000.

Married/Joint: Check up to \$2,400 on AGI up to \$150,000 and phased down to zero at \$198,000.

Kids: Whether a single or a joint filer you will receive \$500 per child up to the top of the phase-out range **and an additional phase-out range above the maximums noted above. For example, a Joint Filer with two qualified dependent children with \$210,000 of AGI would still receive an estimated \$400.**

So, if you are a bit above the \$99,000 (single) or \$198,000 (joint) threshold, but have dependent children on your most recently filed tax return – you may still qualify for a reduced check amount.

Dental Group, LLC - We will be working both in the office and remotely in the coming weeks. Our meetings will be done via teleconference and or online collaboration. If you plan to drop off tax documents, please call ahead to coordinate a time when we will be in the office as there is no safe place to leave documents at the door.

Our focus in the coming weeks will be on finishing tax returns such that if a refund is due to you, we can get that as quickly as possible; we are of course continuing to monitor developments so that we can be a resource to you in making decisions relative to your practice and personal finances.

If you have any questions, please do not hesitate to contact us directly at (425) 216-1612.