

What Is Being Done?

In March 2020, the IRS announced that, due to the ongoing coronavirus (COVID-19) pandemic, the federal income tax payment deadline had been extended to July 15, 2020. Shortly after, it was announced that the federal income tax filing deadline was also being extended to July 15, with *many states* soon to follow in extending their own filing deadlines.

Additionally, on Friday, March 27, 2020, congress passed a \$2 trillion stimulus package to help support individuals and businesses during the pandemic. Included in the stimulus package are one-time payments for individuals and couples, expanded unemployment benefits, emergency loans for small businesses, loans for distressed companies, and financial aid for hospitals.

July 2020							<	>
S	M	T	W	T	F	S		
28	29	30	1	2	3	4		
5	6	7	8	9	10	11		
12	13	14	15	16	17	18		
19	20	21	22	23	24	25		
26	27	28	29	30	31	1		
2	3	4	5	6	7	8		

This news may affect you, and it's important to know how.

The Top 5 Things You Need to Know

While your Moors & Cabot financial advisor is here to answer any questions, please note that they are unable to provide tax advice. Please contact your qualified tax advisor to determine how your taxes will be impacted.

1. IRA Contributions

Typically, you have until April 15 to make contributions to your IRA for the previous tax year. However, with the extension of the income tax filing deadline to July 15, contributions can now be made until July 15.

2. Required Minimum Distributions (RMDs)

RMDs have been waived for 2020. This also includes 2019 RMDs that would typically be due by April 1 that have not yet been taken.

3. Payments to Individuals and Couples

Direct payments of \$1,200 will be made to individual taxpayers with incomes of \$75,000 or less. The payment amount lowers incrementally for those earning more than \$75,000, with no payments made to those earning more than \$99,000. Couples will receive payments of \$2,400 (with a similar incremental phase out), and families receive an additional \$500 per child.

4. Retirement Account Withdrawals

Investors may take up to \$100,000 from retirement accounts this year without paying a premature distribution penalty, regardless of age, to help cover expenses related to COVID-19. Taxes on withdrawals may be waived, as well, if the withdrawal is repaid within three years.

5. Small Business Loans

For the period ending June 30, 2020, federally guaranteed loans will be available at community banks for small businesses who promise not to lay off workers.