



COVID-19 Tax Summary

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your way.

Course CPE Information

Course Expiration Date

Per AICPA and NASBA Standards (S9-06), QAS Self-Study courses must include an expiration date that is *no longer than one year from the date of purchase or enrollment*.

Field of Study

Taxes. Some state boards may count credits under different categories—check with your state board for more information.

Course Level

Overview.

Prerequisites

There are no prerequisites

Advance Preparation

None.

Course Description

The Families First Coronavirus Response Act was signed by President Trump on March 18, 2020. Later on, March 27, 2020, he signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, with a \$2.2 trillion price tag. These Acts have been supplemented by pronouncements from the Treasury Department and Internal Revenue Service. These emergency coronavirus provisions are intended to limit the spread of the pandemic, support relief efforts, and stabilize the economy.

This course is an overview and summary of tax provisions contained in the above legislation and government pronouncements. It provides a reference to selected individual, business, retirement, employment, filing, and charitable tax provisions adopted. The resulting major tax impact carries special meaning to the tax practitioner and return preparer. The course is intended to be a resource for tax professionals and staff alike to gain easy access to the most important major changes.

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Learning objectives, review questions and qualified assessment © Copyright Western CPE 2020

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Instructional Design

This Self-Study course is designed to lead you through a learning process using instructional methods that will help you achieve the stated learning objectives. You will be provided with course objectives and presented with comprehensive information and facts demonstrated in exhibits and/or case studies. Review questions will allow you to check your understanding of the material, and a qualified assessment will test your mastery of the course.

Please familiarize yourself with the following instructional features to ensure your success in achieving the learning objectives.

Course CPE Information

The preceding section, “Course CPE Information,” details important information regarding CPE. If you skipped over that section, please go back and review the information now to ensure you are prepared to complete this course successfully.

Table of Contents

The table of contents allows you to quickly navigate to specific sections of the course.

Learning Objectives and Content

Learning objectives clearly define the knowledge, skills, or abilities you will gain by completing the course. Throughout the course content, you will find various instructional methods to help you achieve the learning objectives, such as examples, case studies, charts, diagrams, and explanations. Please pay special attention to these instructional methods, as they will help you achieve the stated learning objectives.

Review Questions

The review questions accompanying this course are designed to assist you in achieving the course learning objectives. The review section is not graded; do not submit it in place of your qualified assessment. While completing the review questions, it may be helpful to study any unfamiliar terms in the glossary in addition to course content. After completing the review questions, proceed to the review question answers and rationales.

Review Question Answers and Rationales

Review question answer choices are accompanied by unique, logical reasoning (rationales) as to why an answer is correct or incorrect. Evaluative feedback to incorrect responses and reinforcement feedback to correct responses are both provided.

Glossary

The glossary defines key terms. Please review the definition of any words you are not familiar with.

Index

The index allows you to quickly locate key terms or concepts as you progress through the instructional material.

Qualified Assessment

Qualified assessments measure (1) the extent to which the learning objectives have been met and (2) that you have gained the knowledge, skills, or abilities clearly defined by the learning objectives for each section of the course. Unless otherwise noted, you are required to earn a minimum score of 70% to pass a course. If you do not pass on your first attempt, please review the learning objectives, instructional materials, and review questions and answers before attempting to retake the qualified assessment to ensure all learning objectives have been successfully completed.

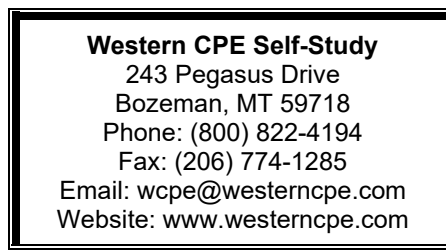
Answer Sheet

Feel free to fill the Answer Sheet out as you go over the course. To enter your answers online, follow these steps:

1. Go to www.westerncpe.com.
2. Log in with your username and password.
3. At the top right side of your screen, hover over “My Account” and click “My CPE.”
4. Click on the big orange button that says “View All Courses.”
5. Click on the appropriate course title.
6. Click on the blue wording that says “Qualified Assessment.”
7. Click on “Attempt assessment now.”

Evaluation

Upon successful completion of your online assessment, we ask that you complete an online course evaluation. Your feedback is a vital component in our future course development.



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COVID-19 Tax Summary

Learning Objectives

After completing this section of the course, you will be able to:

- Identify permissible HSA payments, allowable FFCRA payroll tax credits and paid leave, postponement of tax filing and payment deadlines, the Stafford Act.
- Recognize the tax provisions of the CARES Act including recovery rebates, above-the-line charitable contributions, deferral of payroll tax, business loan forgiveness, employee retention, and unemployment benefits.

High-Deductible Health Plans (3/11/20)

The Internal Revenue Service has announced that high-deductible health plans (HDHPs) can pay for 2019 Novel Coronavirus (COVID-19)-related testing and treatment, without jeopardizing their status. This also means that an individual with an HDHP that covers these costs may continue to contribute to a health savings account (HSA).

In Notice 2020-15, the IRS states that health plans that otherwise qualify as HDHPs will not lose that status merely because they cover the cost of testing for or treatment of COVID-19 before plan deductibles have been met. The IRS also noted that, as in the past, any vaccination costs continue to count as preventive care and can be paid for by an HDHP.

This notice applies only to HSA-eligible HDHPs. Employees and other taxpayers in any other type of health plan with specific questions about their own plan and what it covers should contact their plan.

Families First Coronavirus Response Act

The Families First Coronavirus Response Act was signed by President Trump on March 18, 2020. FFCRA includes:

(1) the Emergency Family and Medical Leave Expansion Act (EFMLEA), which requires employers with fewer than 500 employees to provide both paid and unpaid (the first 10 days of leave may be unpaid and then paid leave is required) family and medical leave to certain employees through December 31, 2020, *and*

Note: The amount of paid family and medical leave is based on an amount not less than two-thirds of an employee's regular pay rate and hours otherwise normally worked but not to exceed \$200 per day and \$10,000 in the aggregate.

(2) the Emergency Paid Sick Leave Act (EPSLA), which requires private employers with fewer than 500 employees, and public employers of any size, must provide 80 hours of paid sick time to employees who are unable to work (or telework) for specified virus-related reasons through December 31, 2020.

Employees: A business is considered to have fewer than 500 employees if, at the time an employee's leave is to be taken, the business employs fewer than 500 full-time and part-time employees within the US. This includes employees on leave; temporary employees who are jointly employed by them and another employer; and day laborers supplied by a temporary agency. However, workers who are independent contractors under the Fair Labor Standards Act (FLSA), rather than employees, are not considered employees for purposes of the 500-employee threshold (DOL Q&A).

FFCRA's paid leave requirements are effective on April 1, 2020, and apply to leave taken between April 1, 2020, and December 31, 2020.

Employee Paid Sick, Family & Medical Leave

Employees of eligible employers can receive two weeks (up to 80 hours) of paid *sick* leave at 100% of the employee's pay where the employee is unable to work because the employee is quarantined, and/or experiencing COVID-19 symptoms, and seeking a medical diagnosis. An employee who is unable to work because of a need to care for an individual subject to quarantine, to care for a child whose school is closed or child care provider is unavailable for reasons related to COVID-19, and/or the employee is experiencing substantially similar conditions as specified by the U.S. Department of Health and Human Services can receive two weeks (up to 80 hours) of paid sick leave at 2/3 the employee's pay.

An employee who is unable to work due to a need to care for a child whose school is closed, or child care provider is unavailable for reasons related to COVID-19, may in some instances receive up to an additional 10 weeks of expanded paid *family* and *medical* leave at 2/3 the employee's pay.

Note: A part-time employee is entitled to leave for his or her average number of work hours in a two-week period (DOL Q&A).

Employer Tax Credits

FFCRA provides eligible employers with two tax credits to fund the payment of employee family, medical, and sick leaves. These credits are designed to fully reimburse employers dollar-for-dollar, for the cost of providing coronavirus-related leave to their employees. Moreover, the Internal Revenue Service (IRS), and the U.S. Department of Labor (DOL) announced (IR-2020-57) that small and midsize employers can immediately begin taking advantage of these refundable payroll tax *credits*. In short, the FFCRA provides tax credits to employers required to cover wages paid to employees while taking leaves under EPSLA (sick leave) and EMFLEA (family & medical leave). The legislation enables employers to keep their workers on their payrolls, while at the same time ensuring that workers are not forced to choose between their paychecks and the public health measures needed to combat the virus.

Eligible Employers: Eligible employers are businesses and tax-exempt organizations with fewer than 500 employees that are required by EPSLA to provide emergency paid sick leave and emergency paid family and medical leave.

To take immediate advantage of the paid leave credits, businesses can retain and access funds that they would otherwise pay to the IRS in payroll taxes. If those amounts are not sufficient to cover the cost of paid leave, employers can seek an expedited advance from the IRS by submitting a streamlined claim form.

Penalty Relief: On March 31, 2020, the IRA issued Notice 2020-22 that provides a waiver of penalties for failure to make a deposit of taxes for employers required to pay qualified sick leave wages and qualified family leave wages mandated by the FFCRA and qualified health plan expenses allocable to these wages. This relief ensured that such employers may pay qualified sick leave wages and qualified family leave wages required by the FFCRA using employment taxes that would otherwise be required to be deposited without incurring a failure to deposit penalty.

Eligible Employers claiming the credits must retain documentation supporting each employee's leave to claim for the credits and retain Forms 941.

Paid Sick Leave (EPSLA) Credit

EPSLA requires certain employers to provide an employee with paid sick time to the extent that the employee is unable to work or telework due to a need for leave because the employee:

- (1) is subject to a Federal, State, or local quarantine or isolation order related to COVID-19,
- (2) has been advised by a health care provider to self-quarantine due to concerns related to COVID-19,
- (3) is experiencing symptoms of COVID-19 and seeking a medical diagnosis,
- (4) is caring for an individual who is subject to an order described in (1) or has been advised as described in (2),
- (5) is caring for the employee's son or daughter if the school or place of care has been closed, or their child care provider is unavailable due to COVID-19 precautions, *or*
- (6) is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretary of the Treasury and the Secretary of Labor.

An employer is allowed a refundable credit against the OASDI tax or RRTA tax imposed on the employer for each calendar quarter in an amount equal to 100 percent of the qualified sick leave wages paid by the employer with respect to that calendar quarter, subject to certain limits. The amount of the

credit is limited in various ways depending on the circumstances under which qualified sick leave wages are paid.

In the case of paid sick time qualifying under (1), (2), or (3) above, the amount of qualified sick leave wages taken into account for purposes of the credit may not exceed \$511 for any day (or any portion thereof) for which the individual is paid such sick time. In the case of paid sick time qualifying under (4), (5), or (6) above, the amount of qualified sick leave wages taken into account may not exceed \$200 for any day (or portion thereof) for which the individual is paid such sick time. In addition, the aggregate number of days taken into account for the calendar quarter with respect to an individual under all clauses may not exceed the excess (if any) of 10 over the aggregate number of days so taken into account for all preceding calendar quarters (\$5,110 in the aggregate).

If an employer claims the credit, the amount so claimed is included in the employer's gross income.

Paid Family & Medical (EMFLEA) Credit

EMFLEA requires certain employers to provide public health emergency leave to employees under the Family and Medical Leave Act of 1993. The FFCRA defines a public health emergency as an emergency with respect to COVID-19 declared by a Federal, State, or local authority.

The first 10 days of public health emergency leave required under EMFLEA may consist of unpaid leave, after which paid leave is required for a maximum of 10 weeks. The amount of required paid leave is based on an amount not less than two-thirds of an employee's regular rate of pay and the number of hours the employee would otherwise be normally scheduled to work. Additional guidance is provided for employees with varying schedules. The mandated paid leave is not required to exceed \$200 per day and \$10,000 in the aggregate.

An employer is allowed a credit against OASDI tax or RRTA tax in an amount equal to 100 percent of qualified family leave wages paid by the employer during the quarter. The maximum amount of qualified family leave wages eligible for the credit can not exceed the amount of the mandated paid leave (\$200 per day and \$10,000 in the aggregate). Eligible employers are entitled to an additional tax credit determined based on costs to maintain health insurance coverage for the eligible employee during the leave period.

Payment for the Cost of Providing Leave

When employers pay their employees, they are required to withhold from their employees' paychecks federal income taxes and the employees' share of Social Security and Medicare taxes. The employers then are required to deposit these federal taxes, along with their share of Social Security and Medicare taxes, with the IRS and file quarterly payroll tax returns (Form 941 series) with the IRS.

Eligible employers who pay qualifying sick or child care leave can retain an amount of the payroll taxes equal to the amount of qualifying sick and child care leave that they paid, rather than deposit them with the IRS. The payroll taxes that are available for retention include withheld federal income taxes, the employee share of Social Security and Medicare taxes, and the employer share of Social Security and Medicare taxes with respect to all employees.

If there are not sufficient payroll taxes to cover the cost of qualified sick and child care leave paid, employers will be able to file a request for an accelerated payment from the IRS. The IRS expects to process these requests in two weeks or less.

Example #1

If an eligible employer paid \$5,000 in sick leave and is otherwise required to deposit \$8,000 in payroll taxes, including taxes withheld from all its employees, the employer could use up to \$5,000 of the \$8,000 of taxes it was going to deposit for making qualified leave payments. The employer would only be required under the law to deposit the remaining \$3,000 on its next regular deposit date.

Example #2

If an eligible employer paid \$10,000 in sick leave and was required to deposit \$8,000 in taxes, the employer could use the entire \$8,000 of taxes in order to make qualified leave payments and file a request for an accelerated credit for the remaining \$2,000.

Self-Employed Individuals

Self-employed individuals can claim credits of sick leave equivalent amounts or qualified family leave equivalent amounts on the self-employed individual's Form 1040 for the 2020 tax year. The self-employed individual may fund sick leave and family leave equivalents by taking into account the credit to which the individual is entitled and will claim on Form 1040, in determining required estimated tax

payments. This means that a self-employed individual can effectively reduce payments of estimated income taxes that the individual would otherwise be required to make if the individual was not entitled to the credit on the Form 1040.

Small Business Exemption

Small businesses with fewer than 50 employees are eligible for an exemption from the leave requirements relating to school closings or child care unavailability where the requirements would jeopardize the ability of the business to continue. The exemption is available on the basis of simple and clear criteria that make it available in circumstances involving jeopardy to the viability of an employer's business as a going concern. Labor is to provide emergency guidance and rulemaking to clearly articulate this standard.

Effective Date

Employment tax credits for paid qualified sick leave wages and paid qualified family leave wages required by the Families First Coronavirus Response Act apply to such wages and compensation paid for periods beginning on April 1, 2020, and ending on December 31, 2020, and days beginning on April 1, 2020, and ending on December 31, 2020, are taken into account for credits for paid qualified sick leave equivalents and paid qualified family leave equivalents for certain self-employed individuals provided by the Act (Notice 2020-21; 3/27/20). For more information, see the Department of Labor's [Families First Coronavirus Response Act: Questions and Answers](#).

Federal Gift & GST Tax Filing & Payment Deadline (3/20/20)

For an affected taxpayer, the due date for filing Forms 709 (United States Gift and Generation-Skipping Transfer Tax Return) and making payments of Federal gift and generation-skipping transfer tax due April 15, 2020, has been automatically postponed to July 15, 2020 (Notice 2020-18, as supplemented by Notice 2020-20).

Note: The Secretary of the Treasury has determined that any person (as defined in §7701(a)(1)) with a Federal gift tax or generation-skipping transfer tax payment due or the requirement to file Form 709 (United States Gift and Generation-Skipping Transfer Tax Return) on April 15, 2020, is also affected by the COVID-19 emergency for purposes of this section.

This relief is automatic. There is no requirement to file Form 8892 (Application for Automatic Extension of Time to File Form 709 and/or Payment of Gift/Generation-Skipping Transfer Tax) to obtain the benefit of this filing and payment postponement until July 15, 2020. However, an affected taxpayer may choose to file Form 8892 by July 15, 2020, to obtain an extension to file Form 709 by October 15, 2020 (any

Federal gift and generation-skipping transfer tax payments postponed by this notice will still be due on July 15, 2020).

As a result of the postponement of the due date for filing Forms 709 and making Federal gift and generation-skipping transfer tax payments from April 15, 2020, to July 15, 2020, the period beginning on April 15, 2020, and ending on July 15, 2020, will be disregarded in the calculation of any interest, penalty, or addition to tax for failure to file a Form 709 or to pay federal gift and generation-skipping transfer taxes shown on that Form and postponed by this notice. Interest, penalties, and additions to tax with respect to such postponed Forms 709 and payments will begin to accrue on July 16, 2020.

Income Tax Filing & Payment Deadline (3/20-21/20)

The Treasury Department and Internal Revenue Service announced (Notice 2020-18 on 3/20/20 and IR-29 on 3/21/20) that the federal income tax filing due date is automatically extended from April 15, 2020, to July 15, 2020. In addition, taxpayers can defer federal income tax payments due on April 15, 2020, to July 15, 2020, without penalties and interest, regardless of the amount owed. This deferment applies to all taxpayers, including individuals, trusts and estates, corporations and other non-corporate tax filers as well as those who pay self-employment tax.

Note: IR-2020-66 makes clear that this relief to additional returns, tax payments and other actions applies to all taxpayers that have a filing or payment deadline falling on or after April 1, 2020, and before July 15, 2020. Individuals, trusts, estates, corporations and other non-corporate tax filers qualify for the extra time. This means that anyone, including Americans who live and work abroad, can now wait until July 15 to file their 2019 federal income tax return and pay any tax due.

Taxpayers do not need to file any additional forms or call the IRS to qualify for this automatic federal tax filing and payment relief. Individual taxpayers who need additional time to file beyond the July 15 deadline, can request a filing extension by filing Form 4868 through their tax professional, tax software or using The Free File link on IRS.gov. Businesses who need additional time must file Form 7004.

Note: The IRS urges taxpayers who are due a refund to file as soon as possible. Most tax refunds are still being issued within 21 days.

This announcement comes following the President's emergency declaration pursuant to the Stafford Act. The Stafford Act is a federal law designed to bring an orderly and systematic means of federal natural disaster and emergency assistance for state and local governments in carrying out their responsibilities to aid citizens. It was enacted in 1988.

Section 1 – Review Questions

The review questions accompanying this course are designed to assist you in achieving the course learning objectives. The review section is not graded; do not submit it in place of your qualified assessment. While completing the review questions, it may be helpful to study any unfamiliar terms in the glossary in addition to course content. After completing the review questions, proceed to the review question answers and rationales.

1. Designed to clarify what medical costs can be paid by an HDHP under an HSA, Notice 2020-15 confirmed that:
 - A. Cosmetic surgery can be covered by an HDHP.
 - B. Marijuana can be used to treat coronavirus.
 - C. Vaccination costs can continue to be paid for by an HDHP.
 - D. All HSAs will be audited within 90 days.

2. The Families First Coronavirus Response Act (FFCRA) enables employers to keep their workers on their payrolls ensuring that workers are not forced to choose between their paychecks and:
 - A. Keeping their mortgages current.
 - B. Caring for their children.
 - C. Protecting their homes.
 - D. The public health measures needed to combat the virus.

3. The FFCRA provides that an eligible employer may be able to claim a child care leave credit equal to _____ of the employee's regular pay.
 - A. Two-thirds.
 - B. One-half.
 - C. One-third
 - D. Three-fourths.

4. The deadline postponement relief provided by Notice 2020-18 (as supplemented by Notice 2020-20):
 - A. Requires the filing of Form 8892.
 - B. Is available on a fact and circumstances basis
 - C. Is automatic.
 - D. Can only be claimed by a surviving spouse.

5. The President announced his willingness to use the Stafford Act during this coronavirus emergency. What is the Stafford Act?
- A. A declaration of martial law.
 - B. Legislation giving the Federal government control of the National Guard.
 - C. A law to deliver federal disaster and emergency assistance.
 - D. Legislation permitting the Federal government to close all stock exchanges.

Coronavirus Aid, Relief, and Economic Security (CARES) Act

Coronavirus Aid, Relief, and Economic Security (CARES) Act, with a \$2.2 trillion price tag, was signed into law on March 27, 2020, by President Trump. CARES will have a major impact on the economy through loan forgiveness, support for business, enhanced unemployment insurance, federal loans to industries, tax relief and incentives, increased liquidity in the economy, tax deferral and recovery rebates for individuals. The following is a brief summary of selected provisions:

Recovery Rebate/Credit (Economic Impact Payments)

A refundable income tax credit is provided for 2020 of \$1,200 to individual filers with adjusted gross incomes of \$75,000 or less (or \$112,500 or less for a head of household), and \$2,400 to married couples filing jointly with adjusted gross incomes of \$150,000 or less, which is to be paid in cash. There is an additional \$500 refundable credit for “qualifying children” as defined under §24(c) for purposes of the child tax credit (§6428(a)). For these purposes, the child tax credit definition of a qualifying child applies (i.e., a qualifying child as defined in §152 and under the age of 17). The credit is refundable (§6428(b)).

Eligibility

An "eligible individual" any individual other than:

- (1) a nonresident alien,
- (2) an estate or trust, *or*
- (3) a person who could have qualified as a §151 dependent to another taxpayer (§6428(d)).

Thus, dependent children of their parents are not eligible individuals, even if they have income.

Note: There are no eligibility requirements related to minimum levels of qualifying income, gross income, or net tax liability. Thus, individuals without income or income that comes non-taxable means-tested benefit programs like SSI benefits are also eligible for the credit/rebate.

Identification Number

No credit is allowed to an eligible individual who does not include the individual's valid identification number on their tax return (§6428(g)). In the case of a joint return that does not include valid identification numbers for both spouses, no credit is allowed. In addition, a qualifying child shall not be taken into account in determining the amount of the credit if a valid identification number for the child is not included on the return.

For purposes of this requirement, a valid identification number is an SSN. Two exceptions to this requirement are provided. First, an adoption identification number is considered a valid identification number in the case of a qualifying child who is adopted or placed for adoption. Second, in the case of a joint return, only one spouse is required to provide a valid identification number where at least one spouse was a member of the Armed Forces of the United States during the taxable year for which the return is filed.

Backward Calculation

Individuals who were eligible in 2019 are deemed to have made an income tax payment for 2019 equal to the rebate amount for 2019. The rebate amount is that amount that would have been an allowable credit for 2019 if the credit provision been in effect for 2019. In short, while the credit is for 2020, CARES treats it as the return of a 2019 overpayment. However, no interest is to be paid on this deemed overpayment.

Note: If a 2019 income tax return is yet to be filed, IRS will use the taxpayer's 2018 return. If no 2018 return has been filed, IRS will use the individual's 2019 Form SSA-1099. Thus, Social Security and Railroad Retirement benefit recipients will receive economic stimulus payments automatically without having to file a tax return.

Advance Refund

Since the IRS is to pay the rebate amount as soon as possible (in some cases even before a 2019 file has been filed) the rebate is sometimes referred to as an "advance refund amount." In any event, no rebates will be made or allowed after Dec. 31, 2020 (§6428(f)).

The amount of the advance refund is computed in the same manner as the recovery rebate credit, except that the calculation is made on the basis of the income tax return filed for 2019 (instead of 2020), if available, or otherwise on the basis of the income tax return filed for 2018. Accordingly, the advance refund amount generally is based on a taxpayer's filing status, number of qualifying children, and AGI as reported for 2019 or 2018.

Note: R.P. 2020-18 provides two tax return filing procedures for certain individuals who are eligible for the economic impact payment under CARES but are not otherwise required to file 2019 Federal income tax returns.

Noticing Requirement

Within 15 days of distributing a rebate payment, IRS must mail a notice to the taxpayer's last known address stating how the payment was made, its amount, and a phone number to report any delivery problems.

Phaseout

The credit is reduced (but not below zero) by 5% of the taxpayer's adjusted gross income (AGI) in excess of:

- (1) \$150,000 for a joint return,
- (2) \$112,500 for a head of household, and
- (3) \$75,000 for all other taxpayers (§6428(c)).

As a result, the credit is phased-out for a single taxpayers with AGI over \$99,000 and for joint filers with no children with AGI over \$198,000. For a head of household with one child, the credit is phased out when AGI exceeds \$146,500.

Retirement Funds - Early Withdrawal Tax & Loan Limits

A distribution from a tax-qualified retirement plan generally is included in income for the year distributed. In addition, unless an exception applies, a distribution from a qualified retirement plan is subject to a 10-percent early withdrawal tax on the amount includible in income (§72(t)).

Employer-sponsored retirement plans are permitted, but not required, to provide loans to participants. Unless the loan satisfies certain requirements in both form and operation, the amount of a retirement plan loan is a deemed distribution from the retirement plan and taxable income including being subject to a 10-percent early withdrawal tax.

Among the requirements that the loan must satisfy are that:

- (1) the loan amount must not exceed the lesser of 50 percent of the participant's account balance or \$50,000 (generally taking into account outstanding balances of previous loans), *and*
- (2) the loan's terms must provide for a repayment period of not more than five years (except for a loan specifically to purchase a home) and for level amortization of loan payments to be made not less frequently than quarterly (§72(p)).

Distributions & 10% Penalty

CARES provides that qualified individuals are allowed to withdraw up to an aggregate amount of \$100,000 from a qualified retirement plan, §403(b) plan, or IRA without the 10% penalty for early withdrawals for a "coronavirus-related distribution" (§72(t)(1)). CARES also allows a taxpayer to include income attributable to a coronavirus-related distribution ratably over three years and to recontribute the amount of the distribution to an eligible retirement plan within three years.

Coronavirus Related Distribution

A "coronavirus-related distribution" is any distribution to a qualified individual from a qualified retirement plan made on or after January 1, 2020, and before December 31, 2020. A qualified individual is any individual:

- (1) diagnosed with the virus SARS-CoV-2 or with coronavirus COVID-19 by a test approved by the CDC,
- (2) whose spouse or §151 defined dependent is similarly diagnosed, *or*
- (3) experiencing adverse financial consequences as a result of being:
 - (a) quarantined,
 - (b) furloughed or laid off or having work hours reduced due to such virus or disease, *or*
 - (c) unable to work due to lack of child care due to such virus or disease, the closing or reduction of hours in a business owned or operated by the individual due to such virus or disease.

The eligible retirement plan administrator can rely on an employee's certification that the employee satisfies the conditions of item (3) above.

Example

If an individual receives a coronavirus-related distribution in 2020, that amount is included in income, generally ratably over the year of the distribution and the following two years and is not subject to the 10-percent early withdrawal tax. If, in 2022, the amount of the coronavirus-related distribution is recontributed to an eligible retirement plan, the individual may file amended returns to claim a refund of the tax attributable to the amounts previously included in income. In addition, if a portion of the distribution has not yet been included in income at the time of the contribution, the remaining amount is not includible in income.

Repayments of Coronavirus-Related Distributions

A coronavirus-related distribution may, at any time during the 3 year period beginning on the day after the date such coronavirus-related distribution was received, be repaid in one or more contributions to an eligible retirement plan in which the qualified individual is a beneficiary. Such repayments will be treated as eligible trustee to trustee rollovers made within 60 days of distribution.

Loan Limits

CARES modifies the rules applicable to loans, providing that for a qualified individual, in order for the loan not to be treated as a distribution. For this purpose, qualified individual has the same meaning as under the rules for coronavirus-related distributions.

Under CARES, the limitation on loans from a qualified employer plan to qualified individuals during the 180-day period beginning on the date of enactment (March 27) is increased from \$50,000 to \$100,000 (or, if less, the individual's nonforfeitable benefit). If the due date of a loan occurs between March 27 and December 31, 2020, it will be delayed for one year. The repayment delay is disregarded for purposes of the requirement that a loan be repaid within five years.

Temporary Waiver of RMD Rules

Employer-provided qualified retirement plans and IRAs are subject to required minimum distribution rules. Under §401(a)(9), a retirement plan or IRA owner must take a required minimum distribution (RMD) annually once the owner reaches age 72. Required minimum distributions generally must begin by April 1 of the calendar year following the calendar year in which the individual (employee or IRA owner) reaches age 72 (formerly 70½). Failure to make a required minimum distribution triggers a 50-percent excise tax, payable by the individual or the individual's beneficiary.

Note: The required minimum distribution for each year generally is determined by dividing the account balance as of the end of the prior year by the number of years in the distribution period. The distribution period is generally derived from the Uniform Lifetime Table.

However, for calendar year 2020, CARES waives the required minimum distribution rules for a defined contribution plan that is a tax-qualified plan described in §401(a), an employee retirement annuity described in §403(a), a tax-sheltered annuity described in §403(b), or a plan described in §457(b) that is maintained by a governmental employer. The waiver applies to all required

minimum distributions that would have been required in 2020. The next required minimum distributions for these plans will be for calendar year 2021.

Note: In the case of an individual whose required beginning date is April 1, 2020 (because, for example, the individual attained age 70½ in 2019), the provision waives the minimum distribution requirement with respect to a distribution that would have been required to be made in 2020 on account of the distribution not having been made in 2019.

Application

Pursuant to CARES, RMD rules do not apply in 2020 to:

- (1) defined contribution plans (§403(a) or §403(b),
- (2) defined contribution plans that are eligible deferred compensation plans under §457(b) and maintained by an employer, *or*
- (3) individual retirement plans (§401(a)(9)(I)(i)).

In addition, the RMD rules do not apply to any distribution required to be made in 2020 because of:

- (1) a required beginning date occurring in 2020, and
- (2) such distribution not having been made before 2020.

Charitable Deductions

An individual's AGI is determined by subtracting certain "above-the-line" deductions from gross income. To determine taxable income, an individual reduces AGI by the applicable standard deduction or his or her itemized deductions, and by the deduction for qualified business income. The deduction for charitable contributions is available only to a taxpayer who elects to itemize deductions and limited to a percentage of the taxpayer's contribution base.

CARES allows an "above the line" charitable contribution deduction for up to \$300 of cash contributions to certain §501(c)(3) public charities in 2020, even if the standard deduction is taken. In addition, the income limitations for individuals and corporations are modified in 2020

\$300 Above-the-Line Charitable Deduction

Beginning in 2020, CARES adds a deduction to the calculation of gross income for the amount (not to exceed \$300) of qualified charitable contributions made by an eligible individual (§62(a)(22)). The above-the-line deduction is not available for contributions made during a taxable year that begins after 2020. An "eligible individual" is an individual who does not itemize deductions (§62(f)(1)). Thus, a taxpayer taking the standard deduction, who absent the provision would not be able to deduct any

charitable contributions, may claim an above-the-line deduction for qualified charitable contributions.

Individual Cash Contribution Limit During 2020

Section 170 allows individuals to deduct cash contributions to certain charitable organizations up to 60% of adjusted gross income (AGI) (§170(b)(1)(G)(i)). When the annual aggregate amount of such contributions exceeds 60% of AGI, the excess is carried forward and treated as a deductible charitable contribution in each of the next five tax years. (§170(b)(1)(G)(ii)).

Under CARES, for 2020, the 60% limit on qualifying cash contributions of individuals is disregarded permitting individual taxpayers to take a deduction in 2020 to the extent such contributions do not exceed the excess of the individual's AGI over the amount of all other allowed charitable contributions for the year. In short, individuals can deduct qualified cash contributions in 2020 up to 100% of AGI. Any excess is carried forward as a charitable contribution in each of the succeeding five years.

Note: Taxpayers must make an affirmative election on their 2020 income tax return to take advantage of this provision.

Qualified Contributions

Qualified contributions are charitable contributions if:

- (a) paid in cash during 2020 to a §170(b) organization, and
- (b) the taxpayer has elected to apply this provision.

Contributions of noncash property, such as securities, are not qualified contributions.

Corporate Cash Contribution Limit During 2020

Corporate charitable deductions cannot exceed 10% of its taxable income (§170(b)(2)(A)). If this 10% limitation is exceeded, the excess is carried over and deducted for each of the next five years, to the extent the sum of carryovers and contributions does not exceed 10% of taxable income. (§170(d)(2)(A)).

Under CARES, for 2020, corporate charitable deductions cannot exceed 25% of its taxable income. Any excess is carried forward as a charitable contribution in each of the succeeding five years.

Contribution Of Food Inventory During 2020

A donation of food inventory to a charitable organization that will use it for the care of the ill, the needy, or infants is deductible in an amount up to basis

plus half the gain that would be realized on the sale of the food (not to exceed twice the basis). In the case of a C corporation, the deduction cannot exceed 15% of the corporation's income.

Under CARES, for charitable contributions of food during 2020, the taxable income limits are 25% rather than 15%.

Repayment of Employee Student Loans

Under §127, an employee's gross income does not include up to \$5,250 per year of employer payments, in cash or kind, under a program for the employee's education. Any contributions over \$5,250 are taxable income for the employee.

For the exclusion to apply, certain requirements must be satisfied:

- (1) the educational assistance must be provided pursuant to a separate written plan of the employer,
- (2) the employer's educational assistance program must not discriminate in favor of highly compensated employees,
- (3) no more than five percent of the amounts paid or incurred by the employer during the year for educational assistance under a qualified educational assistance program may be provided for the class of individuals consisting of:
 - (i) more than five-percent owners of the employer, *and*
 - (ii) the spouses or dependents of such owners

CARES adds eligible student loan repayments made any time after March 27, 2020, through December 31, 2020, to the types of educational payments that are excluded from employee gross income. These repayments are tax-free for both employer for payroll purposes and the employee for income tax purposes. This means an employer could contribute to loan payments and workers wouldn't have to include that money as income.

Note: The CARES provision allows employers to contribute only up to \$5,250 per employee. The employer must make these contributions before the end of 2020, after which the favorable tax treatment expires. Furthermore, the employer must make the payments under an educational-assistance program complying with §127. That section requires, among other things, that the employee have no option between educational assistance and taxable remuneration. In other words, the employer cannot let the employee choose cash instead of student-loan help.

Eligible Student Loan Repayments

Eligible student loan repayments are payments by the employer, whether paid to the employee or a lender, of principal or interest on any qualified higher education loan.

Note: To avoid a double benefit, such student loan repayments cannot also be deducted under §221 as student loan interest.

Borrowers can't claim the student loan interest deduction based on a tax-free payment of student loan interest from their employer. But, employers can target their student loan repayment assistance just to principal, letting the employee pay the interest, thereby working around the no double benefit coordination restriction.

Employee Retention Payroll Tax Credit

Applicable employment taxes are imposed on wages paid to employees with respect to employment and include taxes levied under FICA, FUTA, Federal income tax and RRTA (§3101, §3111, §3301, and 3401).

CARES allows eligible employers to claim a credit against these applicable employment taxes for each calendar quarter in an amount equal to 50 percent of the qualified wages with respect to each employee of such employer for such calendar quarter. The amount of qualified wages with respect to any employee which may be taken into account in calculating the credit for all calendar quarters may not exceed \$10,000. Therefore, under the provision, the maximum amount of credit per employee for all calendar quarters is \$5,000. The provision applies only to wages paid after March 12, 2020, and before January 1, 2021.

The credit allowed may not exceed the applicable employment taxes imposed on the eligible employer for that calendar quarter on the wages paid with respect to all of the employer's employees. If the credit amount exceeds the employer's liability, the excess is refundable (§3111).

Example 1

An eligible employer pays \$10,000 in qualified wages to employee A in Q2 2020. The employee retention credit available to the eligible employer for the qualified wages paid to employee A is \$5,000.

Example 2

An eligible employer pays employee B \$8,000 in qualified wages in Q2 2020 and \$8,000 in qualified wages in Q3 2020. The credit available to the eligible employer for the qualified wages paid to employee B is equal to \$4,000 in Q2 and \$1,000 in Q3 due to the overall limit of \$10,000 on qualified wages per employee for all calendar quarters.

Employers can be immediately reimbursed for the credit by reducing their required deposits of payroll taxes that have been withheld from employees' wages by the amount of the credit. Eligible employers will report their total qualified wages and the related health insurance costs for each quarter on their quarterly employment tax returns or Form 941 beginning with the second quarter. If the employer's employment tax deposits are not sufficient to cover the credit, the employer may receive an advance payment from the IRS by submitting Form 7200, *Advance Payment of Employer Credits Due to COVID-19* (IR-2020-62).

Note: The credit is allowed against the employer portion of social security taxes under §3111(a), and the portion of taxes imposed on railroad employers under §3221(a) of the Railroad Retirement Tax Act (RRTA) that corresponds to the social security taxes under §3111(a).

Penalty Relief

An eligible employer will not be subject to a penalty under §6656 for failing to deposit federal employment taxes relating to qualified wages in a calendar quarter if:

- (a) the eligible employer paid qualified wages to its employees in the calendar quarter before the required deposit,
- (b) the amount of federal employment taxes that the eligible employer does not timely deposit, reduced by any amount of federal employment taxes not deposited in anticipation of the paid sick or family leave credits claimed under the FFCRA, is less than or equal to the amount of the eligible employer's anticipated employee retention credit for the qualified wages for the calendar quarter as of the time of the required deposit, *and*
- (c) the eligible employer did not seek payment of an advance credit by filing Form 7200, *Advance Payment of Employer Credits Due to COVID-19*, with respect to any portion of the anticipated credits it relied upon to reduce its deposits (Notice 2020-22).

Eligible Employers

Employers, including non-profits, whose operations have been fully or partially suspended as a result of a government order limiting commerce, travel, or group meetings are eligible for the credit. In addition, eligible employers include those who have experienced more than a 50% reduction in quarterly receipts measured year-over-year. The number of employees an employer has does not affect whether it is an eligible employer that may claim the credit.

Note: Governmental employers are not eligible employers for the employee retention credit. Also, self-employed individuals are not eligible for this credit for their self-employment services or earnings (see IRS FAQs).

Thus, qualifying employers must fall into one of two categories:

- (a) the employer's business is fully or partially suspended by government order due to COVID-19 during the calendar quarter, or

Note: An employer that operates an essential business that is not required to close its physical locations or otherwise suspend its operations is not considered to have a full or partial suspension of its operations merely because its customers are subject to a government order requiring them to stay at home. However, such an employer may be considered an eligible employer and may be eligible for the employee retention credit if it experiences a significant decline in gross receipts.

- (b) the employer's gross receipts are below 50% of the comparable quarter in 2019.

Note: Once the employer's gross receipts go above 80% of a comparable quarter in 2019, they no longer qualify after the end of that quarter.

Example

If an employer had gross receipts of \$100 in each calendar quarter of 2019 and then had gross receipts in the first, second, third, and fourth quarters of 2020 of \$100, \$40, \$90, and \$100, respectively, the period in which such employer is treated as meeting the significant decline in gross receipts test is the second and third quarters of 2020.

These measures are calculated each calendar quarter. after the end of that quarter.

Small Business Interruption Loan Conflict: An eligible employer may not receive the employee retention credit if the eligible employer receives a small business interruption loan under the paycheck protection program that is authorized under CARES. An eligible employer that receives a paycheck protection loan should not claim employee retention credits.

Household Employers

Household employers are not considered to operate a trade or business and, therefore, are not eligible for the employee retention credit, with respect to their household employees. However, household employers who are also employers operating a trade or business and who generally report employment taxes attributable to their household employees may be eligible for the employee retention credit, but only with respect to the trade or business employees and their qualified wages from the trade or business.

Self-Employed Individuals

Self-employed individuals are not eligible for the employee retention credit with respect to their own self-employment earnings. However, a self-employed individual who employs individuals in its trade or business and who otherwise meets the requirements to be an eligible employer may be eligible for the employee retention credit with respect to qualified wages paid to the employees.

Partial Business Suspension

The operation of a trade or business is partially suspended if an appropriate governmental authority imposes restrictions upon the business operations by limiting commerce, travel, or group meetings (for commercial, social, religious, or other purposes) due to COVID-19 such that the operation can still continue to operate but not at its normal capacity (IRA FAQs).

Example

A state governor issues an executive order closing all restaurants, bars, and similar establishments in the state in order to reduce the spread of COVID-19. However, the executive order allows those establishments to continue food or beverage sales to the public on a carry-out, drive-through, or delivery basis. This results in a partial suspension of the operations of the trade or business due to an order of an appropriate governmental authority with respect to any restaurants, bars, and similar establishments in the state that provided full sit-down service, a dining room, or other on-site eating facilities for customers prior to the executive order.

Reduction in Quarterly Gross Receipts

A significant decline in gross receipts begins with the first quarter in which an employer's gross receipts for a calendar quarter in 2020 are less than 50 percent of its gross receipts for the same calendar quarter in 2019. The significant decline in gross receipts ends with the first calendar quarter that follows the first calendar quarter for which the employer's 2020 gross receipts for the quarter are greater than 80 percent of its gross receipts for the same calendar quarter during 2019 (IRS FAQs).

Example

An employer's gross receipts were \$100,000, \$190,000, and \$230,000 in the first, second, and third calendar quarters of 2020, respectively. Its gross receipts were \$210,000, \$230,000, and

\$250,000 in the first, second, and third calendar quarters of 2019, respectively. Thus, the employer's 2020 first, second, and third quarter gross receipts were approximately 48%, 83%, and 92% of its 2019 first, second, and third quarter gross receipts, respectively. Accordingly, the employer had a significant decline in gross receipts commencing on the first day of the first calendar quarter of 2020 (the calendar quarter in which gross receipts were less than 50% of the same quarter in 2019) and ending on the first day of the third calendar quarter of 2020 (the quarter following the quarter for which the gross receipts were more than 80% of the same quarter in 2019). Thus the employer is entitled to a retention credit with respect to the first and second calendar quarters.

Wages

Qualified wages are wages (as defined in §3121(a)) and compensation (as defined in §3231(e)) paid by an eligible employer to employees after March 12, 2020, and before January 1, 2021. Qualified wages include the eligible employer's qualified health plan expenses that are properly allocable to the wages.

Note: "Qualified health plan expenses" are amounts paid or incurred by the eligible employer to provide and maintain a group health plan, but only to the extent that those amounts are excluded from the gross income of employees by reason of §106(a),

The definition of qualified wages depends, in part, on the average number of full-time employees (as defined in §4980H) employed by the eligible employer during 2019.

Note: CARES does not require employers to pay qualified wages. In addition, eligible employers may elect to not claim the credit for the employee retention credit. FFCRA does require certain employers to pay sick or family leave wages to employees who are unable to work or telework due to a COVID-19 circumstance. These employers may be entitled to a refundable tax credit for those wages paid, although the employers may elect not to claim the credit.

Employers With Less Than 100 Employees

If the employer had 100 or fewer employees on average in 2019, the credit is based on wages paid to all employees (including those furloughed), regardless if they worked or not. If the employees worked full time and were paid for full time work, the employer still receives the credit.

Employers With More Than 100 Employees

If an eligible employer averaged more than 100 full-time employees in 2019, qualified wages are the wages paid to an employee for time that the employee is *not* providing services due to either:

(1) a full or partial suspension of operations by order of a governmental authority due to COVID-19, *or*

(2) a significant decline in gross receipts.

For these employers, qualified wages taken into account for an employee may not exceed what the employee would have been paid for working an equivalent duration during the 30 days immediately preceding the period of economic hardship.

Refundable Credit

The credit is fully refundable because the eligible employer may get a refund if the amount of the credit is more than certain federal employment taxes the eligible employer owes. That is, if for any calendar quarter the amount of the credit the eligible employer is entitled to exceed the employer portion of the social security tax on all wages (or on all compensation for employers subject to RRTA) paid to all employees, then the excess is treated as an overpayment and refunded to the employer under §6402(a) and §6413(a). Consistent with its treatment as an overpayment, the excess will be applied to offset any remaining tax liability on the employment tax return and the amount of any remaining excess will be reflected as an overpayment on the return. Like other overpayments of federal taxes, the overpayment will be subject to offset under §6402(a) prior to being refunded to the employer.

Example

An eligible employer pays \$10,000 in qualified wages to employee A in Q2 2020. The employee retention credit available to the eligible employer for the qualified wages paid to employee A is \$5,000. This amount may be applied against the employer share of social security taxes that the eligible employer is liable for with respect to all employee wages paid in Q2 2020. Any excess over the employer's share of social security taxes is treated as an overpayment and refunded to the eligible employer after offsetting other tax liabilities on the employment tax return and subject to any other offsets under §6402(a).

Employer Payroll Tax Delay

Employers must withhold FICA (i.e., social security taxes under §3111(a)) on employee wages (§3211(a) & §3221(a)). FICA taxes are comprised of two components: OASDI and Medicare taxes. For OASDI, the applicable rate is 12.4% with half of such rate (6.2%) imposed on the employee and the remainder (6.2%) imposed on the employer. The tax is assessed on covered wages up to the OASDI wage base (\$137,700 in 2020).

For most employers, this liability is reported on the quarterly Form 941, *Employer's Quarterly Federal Tax Return*. The §6302 regulations require an employer to deposit employment taxes under a monthly or semi-weekly schedule, with certain exceptions. The applicable deposit schedule is determined based on the total tax liability reported on an employer's quarterly employment tax return during a lookback period. A penalty may be imposed for the failure to deposit employment taxes by the prescribed date.

Comment: An employer is a monthly depositor if the total Federal income and FICA tax liability for the four quarters in the lookback period was \$50,000 or less. A semiweekly depositor is an employer for which the total tax liability reported during the lookback period was more than \$50,000. Employers that accumulate \$100,000 or more of employment tax liability on any day are required to make deposits of those taxes by the close of the next banking day.

Self-employed individuals are subject to self-employment (SECA) tax (§1401(a)). The SECA imposes tax on the self-employment income of an individual. SECA taxes consist of OASDI tax and Medicare tax. Under OASDI, the rate of tax is 12.4% on self-employment income up to the OASDI wage base (\$137,700 for 2020). For Medicare, the rate of tax is 2.9% of all self-employment income (without regard to the OASDI wage base).

For self-employed individuals, estimated tax payments at least equal to:

- (1) 90 percent of the current year's tax liability or
- (2) 100 percent of the prior year's tax liability,

must be made by the applicable deadlines. A penalty is imposed by applying the underpayment interest rate to the amount of the underpayment for the period of underpayment.

CARES allows eligible employers and self-employed individuals to delay the deposit and payment of certain employment taxes. Employers are allowed to defer paying the 6.2% employer share of the OASDI (but not the 1.45% employer share of the Medicare tax). Self-employed individuals are permitted to defer the equivalent of the employer's Social Security portion of SECA taxes (6.2% of wages up to the 2020 wage base).

The payroll tax deferral period begins on March 27, 2020, and ends before January 1, 2021. Half of the applicable employment taxes required to be deposited during the payroll tax deferral period must be deposited on or before December 31, 2021, and the remaining fifty percent must be deposited on or before December 31, 2022.

Note: To the extent an employer deposits applicable employment taxes by the foregoing applicable dates such deposits will be treated as timely.

For SECA tax purposes, 50 percent of the tax liability incurred under section 1401(a) during the payroll tax deferral period shall not be treated as taxes requiring estimated tax payments until the applicable dates.

Penalty Relief: Section 6302 generally requires deposits of employment taxes be made on a monthly or bi-weekly basis. A penalty is imposed for any failure to deposit amounts as required (§6656). Notice 2020-22 provides a waiver of such penalty for failure to make a deposit of taxes for certain employers subject to a full or partial closure order due to COVID-19 or experiencing a statutorily specified decline in business.

Applicable Date

The payment for applicable employment taxes between March 27, 2020, and January 31, 2021, won't be due before the applicable date. The applicable date is:

- (1) December 31, 2021, for 50% of employment and self-employment taxes, and
- (2) December 31, 2022, for the remaining 50% of those amounts.

Estimated Payments

CARES did *not* extend the April 15 filing date to July 15, 2020, nor extend the due date for estimated tax payments by individuals and corporations. However, on March 21, the Treasury and the IRS extended both the due date for the first quarter estimated tax payments and the April 15 filing date to July 15, 2020, in IR-2020-58.

Then, on April 9, IR-2020-66 extended relief to estimated tax payments due June 15, 2020. This means that any individual or corporation that has a quarterly estimated tax payment due on or after April 1, 2020, and before July 15, 2020, can wait until July 15 to make that payment, without penalty.

Net Operating Losses

A net operating loss (“NOL”) generally means the amount by which a taxpayer’s business deductions exceed its gross income. For NOLs arising in taxable years beginning after December 31, 2017, the NOL deduction is limited to 80 percent of taxable income. Under §172, an NOL for any tax year is carried forward to each tax year following the tax year of the loss but cannot be carried back. NOLs offset taxable income in the order of the taxable years to which the NOL may be carried.

CARES temporarily suspends the application of the 80-percent taxable income limitation. Under CARES, NOLs arising in a tax year beginning after Dec. 31, 2017, and before Jan. 1, 2021 can be carried back to the five tax years preceding the tax year of such loss, unless the taxpayer elects to waive or reduce the

carryback period (§172(b)(1)). In short, NOLs arising in 2018, 2019, and 2020 can be carried back to the five preceding years and can fully offset taxable income (§172).

Note: If an NOL of a taxpayer is carried to a taxable year in which the taxpayer included an amount in income by reason of §965(a) (i.e., 2017, 2018, or both), the taxpayer may elect to exclude §965(a) inclusion years from the five-year carryback period.

The 80-percent taxable income limitation continues to apply in the case of any taxable year beginning after December 31, 2020, and with respect to NOLs arising in taxable years beginning after December 31, 2017, carried to such a taxable year.

Comment: This provision allows taxpayers to use NOLs to a greater extent to offset taxable income in prior or future years in order to provide taxpayers with liquidity in the form of tax refunds and reduced current and future tax liability.

R.P. 2020-24 provides guidance to taxpayers with net operating losses that are carried back under the CARES Act by providing procedures for:

- (1) waiving the carryback period in the case of a net operating loss arising in a taxable year beginning after Dec. 31, 2017, and before Jan. 1, 2021,
- (2) disregarding certain amounts of foreign income subject to transition tax (§965) that would normally have been included as income during the five-year carryback period, *and*
- (3) waiving a carryback period, reducing a carryback period, or revoking an election to waive a carryback period for a taxable year that began before Jan. 1, 2018, and ended after Dec. 31, 2017.

Notice 2020-26 grants a six-month extension of time to file Form 1045 or Form 1139, as applicable, with respect to the carryback of a net operating loss that arose in any taxable year that began during the calendar year 2018 and that ended on or before June 30, 2019. Individuals, trusts, and estates would file Form 1045, and corporations would file Form 1139 (see IRS FAGs).

Loss Limitation For Noncorporate Taxpayers

For tax years 2018 through 2025, §461(l)(1) disallows the deduction of excess business losses by noncorporate taxpayers. The disallowed excess business loss is treated as an NOL for the taxable year for purposes of determining any NOL carryover to subsequent taxable years.

An "excess business loss" is the excess of:

- (1) taxpayer's aggregate business deductions for the tax year, *over*
- (2) the sum of the taxpayer's aggregate business gross income or gain plus \$250,000 (§461(l)(3)(A)).

The threshold amount for a taxable year beginning in 2018 is \$250,000 (or, in the case of a joint return, twice the otherwise applicable threshold amount, i.e., \$500,000). The threshold amount is indexed for inflation for taxable years beginning after 2018.

CARES temporarily modifies the loss limitation for noncorporate taxpayers so they can deduct excess business losses arising in 2018, 2019, and 2020. (§461(l)(1)). Thus, CARES removes the excess business loss limitation for 2018 through 2020. As a result, taxpayers able to use their business losses to fully offset their capital gains or non-business income.

Business Interest Limitation

Interest paid or accrued by a business generally is deductible in the computation of taxable income, subject to a number of limitations (§163(a)). Under the TCJA, business interest expense in excess of business interest income is generally deductible only to the extent of 30 percent of adjusted taxable income (§163(j)(10)). The amount of any business interest expense not allowed as a deduction for any taxable year may be carried forward indefinitely.

CARES increases the limitation on the deductibility of interest expense from 30% to 50% for tax years beginning in 2019 and 2020.

Note: The limitation increase does not apply to partners in partnerships for 2019 but applies only in 2020.

Taxpayers may elect to calculate the interest limitation for 2020 using their 2019 adjusted taxable income.

Example

A corporation with \$100 of adjusted taxable income and \$50 of business interest expense in its 2019 taxable year may deduct all \$50 of its 2019 business interest expense on its 2019 return, including on an amended return. If the corporation has \$100 of adjusted taxable income and \$70 of business interest expense in its 2020 taxable year, it may deduct \$50 of its 2020 business interest expense on its 2020 return, and \$20 of its 2020 business interest expense will carry forward.

Qualified Improvement Property

The TCJA eliminated pre-existing definitions for qualified leasehold improvement property, qualified restaurant property, and qualified retail improvement property replacing those definitions with one single category called qualified improvement property. Qualified improvement property is any

improvement made by the taxpayer to an interior portion of a building that is nonresidential real property if such improvement is placed in service by the taxpayer after the date such building was first placed in service by any taxpayer.

Note: Qualified improvement property does not include any improvement for which the expenditure is attributable to the enlargement of the building, any elevator or escalator, or the internal structural framework of the building.

It was intended that qualified improvement property be eligible for 15-year cost recovery and first-year bonus depreciation. However, this was inadvertently omitted from the statutory text of the TCJA. As a result, qualified improvement property fell into 39 -year cost recovery and became ineligible for bonus depreciation.

Effective for property placed in service in 2018 and later, CARES corrects this error by specifically designating qualified improvement property as 15-year cost recovery property for depreciation purposes making it eligible for bonus depreciation and 20-year property under ADS (§168(e)(3)(E)(vii)). CARES also clarifies that the 15-year MACRS (or 20-year ADS) recovery period only applies if the qualified improvement property is made by the taxpayer.

Note: R.P. 2020-25 provides guidance allowing a taxpayer to change its depreciation under §168 for certain qualified improvement property. This revenue procedure also allows a taxpayer to make a late election, or to revoke or withdraw an election.

Paycheck Protection Program & Loan Forgiveness

A reduction or cancellation of indebtedness generally results in cancellation of debt (COD) income to the borrower (§61(a)(11)). Under CARES, a recipient of a covered loan is eligible for forgiveness of indebtedness on the loan in an amount generally equal to the sum of certain costs incurred and payments made during the eight-week period beginning on the date of the origination of the covered loan, including payroll costs, certain mortgage interest payments, certain rent payments, and certain utility payments. Loan payments are deferred for 6 months but the loan is due in two years. Any cancellation of debt income under the program would be tax-free without the reduction of tax attributes.

Loan amounts can be for up to two months of average monthly payroll costs from the last year plus an additional 25% of that amount subject to a \$10 million cap. The interest rate is 1% fixed.

Loans made by the SBA under these CARES provisions are designed to provide a direct incentive for small businesses to keep their workers on the payroll and are referred to as the Paycheck Protection Program (PPP).

Who Can Apply?

All businesses with 500 or fewer employees can apply including nonprofits, veterans organizations, Tribal business concerns, sole proprietorships, self-employed individuals, and independent contractors. Businesses in certain industries can have more than 500 employees if they meet applicable SBA employee-based size standards for those industries.

Note: The partners do not qualify for loans individually based on the self-employment earnings from the partnership. However, individuals who are partners in a partnership (or LLC taxed as a partnership) should include their self-employment income from the partnership in the payroll costs of the partnership (up to \$100,000) when applying for loans and calculating loan forgiveness.

Starting April 3, 2020, small businesses and sole proprietorships can apply for and receive loans. Independent contractors and self-employed individuals can apply starting April 10, 2020. The program is open until June 30, 2020

Eligible Debt Forgiveness

An eligible recipient is allowed tax-free forgiveness of indebtedness on a covered loan equal to the sum of the following payments made during the covered period:

(a) payroll costs including benefits,

Note: Payroll costs are capped at \$100,000 on an annualized basis for each employee.

(b) any interest payments on any covered mortgage obligation,

(c) any payment for any covered rent obligation, *and*

(d) covered utility payments.

An eligible recipient must verify that the loan amount was used to:

(a) retain employees,

(b) make interest payments on a covered mortgage obligation,

(c) make payments on a covered lease obligation, *or*

(d) make covered utility payments.

A covered loan recipient must apply for loan forgiveness. Once an application is submitted to the lender with the required documentation, the lender must issue a decision on the loan forgiveness within 60 days.

Note: The IRS has issued guidance stating taxpayers may not deduct expenses that were paid by PPP loans, if the payment of the expenses results in loan forgiveness (Notice 2020-32).

Definitions

Covered loan is a loan guaranteed under § 7(a)(36) of the Small Business Act (15 USC 636(a)).

Covered mortgage obligation is any debt incurred in the ordinary course of business that:

- (a) is the liability of the borrower,
- (b) is a mortgage on real or personal property, *and*
- (c) was incurred before February 15, 2020.

Covered period is the 8 weeks beginning on the origination date of a covered loan.

Covered rent obligation is rent paid under a lease agreement entered into before February 15, 2020.

Covered utility payments are payments for the distribution of electricity, gas, water, transportation, telephone, or internet access beginning before February 15, 2020.

Eligible recipient is the borrower on a covered loan.

Unemployment Benefits

Unemployed individuals get an extra \$600 per week for up to four months, on top of state unemployment benefits to make up for 100 percent of lost wages. CARES also extends unemployment insurance benefits to last an additional 13 weeks.

Advancing of Credits for Paid Sick & Family Leave

The Families First Coronavirus Response Act (P.L. 116-127, 3/18/2020, FFCRA), allows small employers (500 or fewer employees) whose employees receive paid sick or family leave to credits.

CARES provides that the credit may be advanced, according to forms and instructions provided by the IRS, up 100 percent of qualified sick leave wages paid by the employer each 2020 calendar quarter.

High Deductible Health Plans & Telehealth Services

Under §223, eligible individuals who have high deductible health plans can take a deduction for contributions made to health savings accounts (HSAs). HSAs provide tax-favored treatment for current medical expenses, as well as the ability to save on a tax-favored basis for future medical expenses. In general, an HSA is a tax-exempt trust or custodial account created exclusively to pay for the qualified medical expenses of the account holder and his or her spouse and dependents.

Within limits, contributions to an HSA made by or on behalf of an eligible individual are deductible by the individual. Contributions to an HSA are excludible from income and employment taxes if made by the employer. Earnings in HSAs are not taxable. Distributions from an HSA for qualified medical expenses are not included in gross income. Distributions from an HSA that are not used for qualified medical expenses are includible in gross income and are subject to an additional tax of 20 percent.

In the case of plan years beginning on or before December 31, 2021, CARES permits HSAs to cover telehealth and other remote care services before participants have met their deductible. It also provides that coverage for telehealth and other remote care services while participating in an HDHP will not make an individual ineligible for HSA contributions.

Thus, under CARES, a health plan will not fail to be treated as a high deductible health plan merely by reason of failing to require a deductible for telehealth and other remote care services for plan years beginning on or before December 31, 2021, and an individual who is covered under such a plan may contribute to an HSA.

In addition, distributions from an HSA that are qualified medical expenses are no longer limited only to those medicines and drugs that are prescribed, allowing over-the-counter medicines and drugs, and also including amounts paid for menstrual care products (defined as tampons, pads, liners, cups, sponges, or similar products used by individuals with respect to menstruation or other genital-tract secretions).

Section 1031 & Rollover Periods

Notice 2020-13 provides that (1) if the 45-day identification period expires on or after April 1, 2020, and before July 15, 2020, the taxpayer has until July 15, 2020, to complete the identification, and (2) if the 180-day exchange period expires on or after April 1, 2020, and before July 15, 2020, the taxpayer has until July 15, 2020, to complete the exchange (assuming the due date of the return, including extensions, is not before July 15, 2020).

This notice also extends the period to complete a rollover distribution from an eligible retirement plan until July 15, 2020, if the 60-day deadline to complete the rollover falls on or after April 1, 2020, and before July 15, 2020.

Section 2 – Review Questions

The review questions accompanying this course are designed to assist you in achieving the course learning objectives. The review section is not graded; do not submit it in place of your qualified assessment. While completing the review questions, it may be helpful to study any unfamiliar terms in the glossary in addition to course content. After completing the review questions, proceed to the review question answers and rationales.

1. Albert's church is having difficulty paying its furloughed office staff and he would like to make a \$300 cash contribution in 2020 to help meet these needs. Under CARES, his contribution:
 - A. Is only deductible if he itemizes.
 - B. Will be entitled to an above-the-line charitable deduction.
 - C. Must not be made in cash to be allowable.
 - D. Can only be used against alternative minimum tax income.

2. During the virus emergency, John's medical supply company has been labeled an essential service. Despite being open, his receipts for the first quarter of 2020 are down by 20%. Can John qualify for the employee retention credit?
 - A. Yes, because his business was affected by a stay at home order.
 - B. No, because his business did not suffer a more than 50% quarterly loss.
 - C. No, because essential service business can not qualify.
 - D. Yes, because medical supply businesses have a special rule.

3. Henry owns an auto dealership. Because of the coronavirus emergency, gross receipts for the quarter have dropped 25% below the same quarter in 2019 and he's had to furlough several employees. Does he qualify for the employee retention payroll tax credit?
 - A. No, because losses must continue for two or more quarters.
 - B. Yes, since auto dealerships are subject to a special 25% rule.
 - C. No, because he has furloughed employees.
 - D. No, since gross receipts must drop by 50%.

4. Alex was laid off because of the coronavirus of emergency and has filed for unemployment benefits. How has CARES modified unemployment benefits?
 - A. Unemployment benefits remain unchanged.
 - B. Individuals get an extra \$600 per week.
 - C. Unemployment benefits have been reduced.
 - D. The covered period has been reduced.

5. Mary purchases large amounts of over the counter drugs to treat her psoriasis and other skin disorders. Can she now treat the costs of such over the counter drugs as qualified medical expenses under her HSA?
- A. No, because they are not prescribed drugs.
 - B. Yes, because distributions from an HSA can now cover over the counter drugs
 - C. Only if they are administered by a physician.
 - D. Yes, if they are sold in a licensed pharmacy

Review Question Answers and Rationales

Review question answer choices are accompanied by unique, logical reasoning (rationales) as to why an answer is correct or incorrect. Evaluative feedback to incorrect responses and reinforcement feedback to correct responses are both provided.

1. Designed to clarify what medical costs can be paid by an HDHP under an HSA, Notice 2020-15 confirmed that:
 - A. Cosmetic surgery can be covered by an HDHP. Incorrect. Cosmetic surgery is not a permissible medical expense under §213 and cannot be paid by an HDHP.
 - B. Marijuana can be used to treat coronavirus. Incorrect. Notice 2020-15 does not endorse any drug or treatment for coronavirus.
 - C. **Vaccination costs can continue to be paid for by an HDHP. Correct. The IRS noted in Notice 2020-15 that any vaccination costs continue to count as preventive care and can be paid for by an HDHP.**
 - D. All HSAs will be audited within 90 days. Incorrect. There is no HAS audit requirement in Notice 2020-15.

2. The Families First Coronavirus Response Act (FFCRA) enables employers to keep their workers on their payrolls ensuring that workers are not forced to choose between their paychecks and:
 - A. Keeping their mortgages current. Incorrect. The FFCRA did not deal with current mortgage obligations.
 - B. Caring for their children. Incorrect. Child care is not mentioned in the FFCRA.
 - C. Protecting their homes. Incorrect. Home protection is not a purpose of the FFCRA.
 - D. **The public health measures needed to combat the virus. Correct. The FFCRA enables employers to keep their workers on their payrolls, not forcing them to choose between paychecks and the public health measures.**

3. The FFCRA provides that an eligible employer may be able to claim a child care leave credit equal to _____ of the employee's regular pay.?
- A. Two-thirds. Correct. Eligible employers can receive a credit equal to two-thirds of an employee's regular rate of pay, up to \$200 per day and \$2,000 in the aggregate, for up to 10 days.**
 - B. One-half. Incorrect. Eligible employers can receive a credit greater than 50%.
 - C. One-third. Incorrect. Eligible employers can receive a credit greater than one-third of the employee's pay.
 - D. Three-fourths. Incorrect. Three-fourths is too high. The credit is limited to two-thirds of the employee's pay.
4. The deadline postponement relief provided by Notice 2020-18 (as supplemented by Notice 2020-20):?
- A. Requires the filing of Form 8892. Incorrect. Filing Form 8892 is not required to get postponement relief.
 - B. Is available on a fact and circumstances basis. Incorrect. Postponement relief is available automatically and is not based on facts and circumstances.
 - C. Is automatic. Correct. Notice 2020-18 relief is automatic.**
 - D. Can only be claimed by a surviving spouse. Incorrect. The automatic postponement relief is not limited to surviving spouses.
5. The President announced his willingness to use the Stafford Act during this coronavirus emergency. What is the Stafford Act?
- A. A declaration of martial law. Incorrect. The Stafford Act does not authorize the declaration of martial law
 - B. Legislation giving the Federal government control of the National Guard. Incorrect. The Stafford Act does not give the Federal government control of the National Guard.
 - C. A law to deliver federal disaster and emergency assistance. Correct. The Stafford Act is a federal law designed to bring federal natural disaster and emergency assistance to state and local governments.**
 - D. Legislation permitting the Federal government to close all stock exchanges. Incorrect. The Stafford Act does not deal with the stock exchanges.

6. Albert's church is having difficulty paying its furloughed office staff and he would like to make a \$300 cash contribution in 2020 to help meet these needs. Under CARES, his contribution:
- A. Is only deductible if he itemizes. Incorrect. The \$300 above-the-line deduction is available if he does not itemize.
 - B. Will be entitled to an above-the-line charitable deduction. Correct. In 2020, CARES adds a deduction to the calculation of gross income for the amount (not to exceed \$300) of qualified charitable contributions provided the taxpayer does not itemize.**
 - C. Must not be made in cash to be allowable. Incorrect. The CARES above-the-line charitable deduction is only available if made in cash.
 - D. Can only be used against alternative minimum tax income. Incorrect. The CARES provision is a deduction to the calculation of gross income.
7. During the virus emergency, John's medical supply company has been labeled an essential service. Despite being open, his receipts for the first quarter of 2020 are down by 20%. Can John qualify for the employee retention credit?
- A. Yes, because his business was affected by a stay at home order. Incorrect. John's business may have been affected by a stay a home order, but it was open and did not suffer a 50% loss in quarterly receipts.
 - B. No, because his business did not suffer a more than 50% quarterly loss. Correct. John's business does not qualify since his quarterly losses are not more than a 50% reduction in receipts.**
 - C. No, because essential service business can not qualify. Incorrect. Essential service businesses can apply for the employee retention payroll tax credit if they are an eligible employer.
 - D. Yes, because medical supply business have a special rule. Incorrect. No special rule is permitted medical supply businesses

8. Henry owns an auto dealership. Because of the coronavirus emergency, gross receipts for the quarter have dropped 25% below the same quarter in 2019 and he's had to furlough several employees. Does he qualify for the employee retention payroll tax credit?
- A. No, because losses must continue for two or more quarters. Incorrect. Under the employee retention payroll tax credit losses do not have to continue for two or more quarters.
 - B. Yes, since auto dealerships are subject to a special 25% rule. Incorrect. CARES does not provide a special 25% rule for auto dealerships.
 - C. No, because he has furloughed employees. Incorrect. The employee retention payroll tax credit applies even though employers have furloughed employees.
 - D. **No, since gross receipts must drop by 50%. Correct. To be eligible the employer's gross receipts must drop below 50% of the comparable quarter in 2019.**
9. Alex was laid off because of the coronavirus of emergency and has filed for unemployment benefits. How has CARES modified unemployment benefits?
- A. Unemployment benefits remain unchanged. Incorrect. Unemployment benefits have been increased by CARES.
 - B. **Individuals get an extra \$600 per week. Correct. Unemployed individuals get an extra \$600 per week for up to four months, on top of state unemployment benefits.**
 - C. Unemployment benefits have been reduced. Incorrect. Unemployment benefits had not been reduced.
 - D. The covered period has been reduced. Incorrect. CARES extends unemployment insurance benefits to last an additional 13 weeks.
10. Mary purchases large amounts of over the counter drugs to treat her psoriasis and other skin disorders. Can she now treat the costs of such over the counter drugs as qualified medical expenses under her HSA?
- A. No, because they are not prescribed drugs. Incorrect. Because of the CARES legislation, over-the-counter drugs are treated as HSA qualified medical expenses. Qualifying drugs no longer need to be prescribed.
 - B. **Yes, because distributions from an HAS can now cover over the counter drugs. Correct. HSA qualified medical expenses are no longer limited only to those medicines and drugs that are prescribed.**
 - C. Only if they are administered by a physician. Incorrect. Qualified over the counter drugs do not have to be administered by a physician.
 - D. Yes, if they are sold in a licensed pharmacy. Incorrect. Being an over the counter drug does not require that it be purchased from a licensed pharmacy.

Glossary

Adjusted gross income (AGI): Total income reduced by allowable adjustments, such as for an IRA, student loan interest, alimony and Keogh deductions. The AGI is important in determining whether various tax benefits are phased out.

Cancellation of indebtedness income: Income from the discharge of a taxpayer's liabilities for less than the face amount.

Coronavirus: 2019 Novel Coronavirus (COVID-19)

Covered loan: A loan guaranteed under § 7(a)(36) of the Small Business Act (15 USC 636(a)).

Estate tax: A tax on the value of a decedent's taxable estate after deductions and credits.

Gift tax: A graduated federal tax paid by donors on gifts exceeding \$15,000 per year (in 2020) per donee.

Improvement: Expenditure for the correction of the defect in property that extends its useful life or improves its value. Unlike some repairs, improvements cannot be deducted by the taxpayer.

Individual retirement arrangement (IRA): A type of individual retirement arrangement using a funding arrangement of a trust or a custodial account.

Net operating loss: A business loss that exceeds current income and may be carried back against income of prior years or carryforward as a deduction against future income.

Required minimum distribution: A minimum distribution that must be taken annually from a taxpayer's retirement plan in order to avoid a 50% penalty.

Self-employment tax: Similar to Social Security and Medicare taxes but for self-employed individuals.

Tax year: An annual accounting period for reporting income and keeping records.

Unemployment compensation: Funds received under federal or state law to compensate for unemployment. Unemployment compensation is now taxable.

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Qualified Assessment

COVID-19 Tax Summary
Course # 8.20.2686, Version 2005
Publication/Revision Date:
May 2020

Course Expiration Date

Per AICPA and NASBA Standards (S9-06), QAS Self-Study courses must include an expiration date that is *no longer than one year from the date of purchase or enrollment*.

Complete this assessment online at www.westerncpe.com and receive your certificate and results instantly!

1. John is considering using his HSA-eligible high-deductible health plan (HDHP) to pay for coronavirus testing and asks if this will impact the qualification of his HSA. Citing Notice 2020-15, you should inform John that:
 - A. It will disqualify his HSA.
 - B. Plan deductibles must first be met.
 - C. The payment will not disqualify his HSA.
 - D. Notice 2020-15 does not apply to H plans.

2. Dan wants to know when employers can take the payroll tax credits established by the Families First Coronavirus Response Act (FFCRA). You email him IR-2020-57 that explains how:
 - A. The IRS is temporarily postponing all face-to-face audits.
 - B. The new payroll tax credits are not refundable.
 - C. The Department of Labor will supervise paid leave.
 - D. Small and midsize employers can begin taking advantage of two new refundable payroll tax credits.

3. On a conference call regarding paid leave with several of your business clients, the issue arises as to which employers qualify for the funds. You point out that the FFCRA grants businesses with fewer than _____ employees funds to provide employee paid leave.
 - A. 50.
 - B. 200.
 - C. 300.
 - D. 500.

4. Your associate, Jim, is aware the 2020 federal income tax filing due date has changed and asks if other filing dates have been modified. You should direct him to Notice 2020-18 (as supplemented by Notice 2020-20) that postpones the filing & payment deadline in 2020 for:
 - A. Property taxes.
 - B. Sales taxes.
 - C. The Federal gift & GST tax.
 - D. Excise & customs tax.

5. Because of being quarantined, your client, John, believes he will not be able to file his 2020 income tax return by April 15, 2020. You should inform John that in IR-2020-58, the Treasury and IRS automatically extended the federal income tax filing due date April 15, 2020, to
 - A. April 30, 2020.
 - B. July 15, 2020.
 - C. December 31, 2020.
 - D. May 15, 2020.



Answer Sheet
COVID-19 Tax Summary
Course # 8.20.2686, Version 2005
1 CPE Credits

Date: _____

Name: _____ Phone: _____

Address: _____

City: _____ State: _____ Zip: _____

Fax: _____ E-mail*: _____

*E-mail address MUST be unique (not shared with another CPA) for Western CPE to grade your assessment

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of purchase or
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1. ____ 2. ____ 3. ____ 4. ____ 5. ____



Course Evaluation
COVID-19 Tax Summary
Course # 8.20.2686, Version 2005

Thank you for taking the time to fill out this course and customer experience evaluation. Your responses help us to build better courses and maintain the highest levels of service. If you have comments not covered by this evaluation, or need immediate assistance, please contact us at 800.822.4194 or wcpe@westerncpe.com.

Course and Instructor Evaluation

1. Please answer the following related to the content of the course:

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
The stated learning objectives were met.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The course materials were accurate, relevant, and contributed to the achievement of the learning objectives.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The stated prerequisites were appropriate and sufficient.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Based on 50 minutes per credit hour, the time to take this course accurately reflects the credit hours assigned to it.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The instructor was knowledgeable and effective.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. Were there any questions you felt were confusing or had incorrect answers listed? If so, please give the question number and a brief description of the issue:

3. Please provide any additional comments specific to the educational content or author of this course:

4. Do you have ideas for future course topics? If so, please list them along with any known subject matter experts we might contact to develop the course:

--

Customer Experience

5. Please rate your overall experience with Western CPE:

	Unsatisfactory	Improvement Needed	Meets Expectations	Exceeds Expectations	Exceptional
If you interacted with our Customer Service team, please rate the quality of service you received.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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“My Account” information includes the tools necessary to access courses and track those completed.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. Please indicate the likelihood of your purchasing the listed course formats from Western CPE:

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Resort Conference or Seminar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7. Please use the box below to provide any additional comments related to your educational experience with Western CPE.

8. If you are willing to provide a quote about this course, or Western CPE in general, that we may use in our promotional materials, please state it below. Be sure to include your name, title, city, and state.