

COVID-related Tax Tips

by Annie Fischer

- **Are you receiving Unemployment Compensation? Did you choose to have withholding?**
 - Millions of Americans are receiving unemployment compensation, and many for the first time. It is important to remember that it is taxable. You may want to consider withholding taxes, so you don't have a surprise at tax time.
- **Did you receive the \$500 Economic Impact payment for your children?**
 - The IRS has reopened the registration period for individuals who receive Social Security, Supplemental Security Income, Railroad Retirement or veteran's benefits, but didn't receive \$500 per child earlier this year when they received their own Economic Impact Payment. Federal benefit recipients can use the [Non-Filers: Enter Payment Info Here](#) tool to get a catch-up payment for a qualifying child if they have NOT done one of the following: already used the Non-Filers tool to provide information about their qualifying child or filed their 2019 or 2018 tax return.
 - Eligible individuals can use the tool until **Wednesday, September 30** to enter information about their qualifying children to receive a catch-up \$500 payment per child. This payment will be issued in October. Anyone who misses the September 30 deadline will need to wait until next year and claim the payment as a credit on their 2020 federal income tax return. Those who received their original Economic Impact Payment by direct deposit will also have any catch-up payment direct deposited to the same account. Others will receive a check.
- **Did you file an extension on your 2019 tax return?**
 - The due date for extensions is October 15th.
 - File by the deadline to avoid interest and penalties.
 - Pay as much as you can by the deadline to reduce penalties and interest.
- **Did your child's college classes go all online? There are still tax credits.**
 - Whether online or in-person there are education tax credits available. Make sure to get your tax preparer your child's form 1098-T from the college as well as the costs for books, computers, iPads, calculators, etc. and any out of pocket costs related to their classes. You could be eligible for the American Opportunity Tax Credit or the Lifetime Learning Credit.
- **Are you working from home due to COVID? Do you have a home office?**
 - You could be eligible for a home office deduction. There are specific requirements to meet and certain expenses you can deduct. Contact your tax preparer to see if you are eligible and what information you will need at tax time.
 - Employees are not eligible

Call our office with any questions! We are here to help!

Annie Fischer
Income Tax Preparer

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PO Box 265
113 N Main Street
Stuart NE 68780
402-924-3607*

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