

## 2021 Tax Season Update

We wanted to give an update to all clients as we begin to navigate filing season in our office. As you can imagine with all the challenges Covid has brought, we are experiencing delays from many different sources. We ask for your patience as these delays will inevitably affect the timing of tax filings during the 2021 filing season. We are working as diligently as ever to process returns as quickly and efficiently as possible while still giving you the high-level tax planning strategies and client service you have come to expect from our firm. Below I will highlight some of the delays we may be facing as well as some notes regarding pertinent items unique to this filing season.

- The IRS has pushed back the opening of e-filing until February 12<sup>th</sup> when it has typically begun in mid to late January.
- The IRS has not finalized many forms as of this writing. This delays the filing process until the IRS sends out the final forms. We hope to have these within the next few weeks.
- We are seeing longer mail times than we have in the past, presumably because of the increase in mail due to Covid. If you have mailed us your documents, it never hurts to give us a call to make sure we have received them.
- There are still many taxpayers who are waiting on their second stimulus payment to arrive. Please notify your tax preparer of the amount of stimulus payments you received. The payments are not taxable but need to be reported in the event you should have received more. An example would be that your income was lower in 2020 and you received a limited stimulus payment because 2019 wages put you in the phase-out range. Another example would be that you had a child in 2020 and the IRS did not send the child stimulus amount. These can be corrected on the tax return.
- If you received unemployment compensation in 2020 please expect delays in receiving your 1099-G. The state of Nebraska has sent notice these may not be mailed until the end of February. Unemployment compensation IS TAXABLE.

As of this writing there has not been a mention of an extended filing deadline from the IRS as we had in 2020. We plan to file as many returns before the deadline as possible. Please note if you are having trouble getting your tax information together before the April 15<sup>th</sup> deadline, we can always extend your return. If you think you may need an extension, please contact your tax preparer.

We appreciate your business and look forward to the possibility of a “Normal” 2021.

Thanks,

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