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Tori Kenney

Tori joined Price Fronk & Co. in January 2017. She began as a seasonal employee and was soon hired for a full-time position as the firm's office receptionist.

Born in Novosibirsk, Russia, Tori came to the United States in 2005 to live with her parents in Phoenix, Arizona. Looking for a milder climate and change of scenery, Tori and her family moved to Bend in 2006. After graduating from Summit High School, Tori attended the Cascade Culinary Institute and Le Cordon Bleu in Portland, Oregon. She holds an Associates Degree in Culinary Management.

When Tori is not at work she is busy with her young son and enjoying every moment. She also likes exploring the beautiful central Oregon area and various activities like hiking, rock climbing and skate-skiing.



Email Jackie
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Jackie Stewart

Jackie Stewart was raised in northern Wisconsin, where she attended school at Lake Superior College and later the University of Superior where she received her Associate of Arts degree with a concentration in Biology. Shortly after graduating in 2010, Jackie and husband Aaron relocated to Eugene, Oregon. After a couple of months of sight-seeing in Oregon, they decided to kick-off the New Year by settling in Bend. Jackie joined Price Fronk & Co. in June of 2015, as part of our administrative staff.

Outside of the office, Jackie enjoys hiking and taking pictures around central Oregon, paddle boarding and kayaking on the lakes, spending time on the coast as well as attending some of Bend's various festivals and events. As of April 2019, the Stewarts also enjoy showing the many splendors of the PNW to son, Liam.

DON'T FORGET ABOUT THE PAYROLL TAX CREDIT

For many businesses, retaining employees has been difficult, if not impossible. If your company has been able to keep all or some of its workers, you may still be able to qualify for the payroll tax credit created under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, known as the Employee Retention Credit.

ASSESSING YOUR QUALIFICATIONS



The Employee Retention Credit is a refundable payroll tax credit for 50% of wages paid by eligible employers to certain employees. The credit is available to employers whose

operations have been fully or partially suspended as a result of a government order limiting commerce, travel or group meetings during the novel coronavirus (COVID-19) crisis.

The credit is also available to employers that have experienced a greater than 50% reduction in quarterly receipts, measured on a year-over-year basis. When such an employer's gross receipts exceed 80% of the comparable quarter in 2019, the employer no longer qualifies for the credit beginning with the next quarter.

EXAMINING WAGES PAID

For employers that had an average number of full-time employees in 2019 of 100 or fewer, all employee wages are eligible, regardless of whether an employee is furloughed or has experienced a reduction in hours.

For employers with more than 100 employees in 2019, only wages paid to employees who are furloughed or face reduced hours because of the employer's closure or reduced gross

receipts are eligible for the credit. No credit is available for wages paid to an employee for any period for which the employer is allowed a Work Opportunity Tax Credit with respect to the employee.

In the context of the credit, the term "wages" includes health benefits and is capped at the first \$10,000 in wages paid by the employer to an eligible employee. Wages *don't* include amounts considered for required paid sick leave or required paid family leave under the Families First Coronavirus Response Act. In addition, wages applicable to this credit aren't taken into account for the employer credit toward paid family and medical leave.

CLAIMING ADVANCE PAYMENTS AND REFUNDS

The IRS can advance payments to eligible employers. If the amount of the credit for any calendar quarter exceeds applicable payroll taxes, the employer may be able to claim a refund of the excess on its federal employment tax return.

In anticipation of receiving the credits, employers can fund qualified wages by 1) accessing federal employment taxes, including withheld taxes, that are required to be deposited with the IRS or 2) requesting an advance of the credit from the IRS on Form 7200, "Advance Payment of Employer Credits Due to COVID-19." The IRS may waive applicable penalties for employers who don't deposit applicable payroll taxes in anticipation of receiving the credit.

OBTAINING RELIEF

The credit applies to wages paid after March 12, 2020, and before Jan. 1, 2021. Contact our firm for help determining whether you qualify and, if so, how to claim this tax break. ■

INSTALLMENT SALES MAY ATTRACT PROPERTY BUYERS

Because of this year's unforeseen economic slowdown, many businesses and individuals are unexpectedly looking for liquidity. One way to raise cash is to sell off real property such as land or a building. Finding a buyer may not be easy, but an installment sale might help.

An installment sale occurs when you transfer property in exchange for a promissory note and receive at least one payment after the tax year of the sale. Doing so allows you to receive interest on the full amount of the promissory note, commensurate with the installment payments received, often at a higher rate than you could earn from other investments — all while deferring taxes and improving cash flow.

An installment sale may appeal to buyers in today's environment because, rather than having to pay for the property all at once, they can pay in installments. After all, even people or entities in a position to buy may wish to

carefully manage their cash flow. This does present a risk for you, the seller: A buyer may not make all payments, and you may have to deal with foreclosure.

You generally must report an installment sale on your tax return under the "installment method." Each installment payment typically consists of interest income, return of your adjusted basis in the property and gain on the sale. For each tax year in which you receive an installment payment, you must report as income the interest and gain components.

Calculating taxable gain involves multiplying the amount of payments received in the tax year, excluding interest, by the gross profit ratio for the sale. This isn't a simple calculation, so be sure to obtain professional assistance when reporting an installment sale to the IRS. We'd be happy to help you decide whether one of these transactions is right for you and, if so, carry out and report the sale. ■

CHARITABLE GIVING IN A TIME OF CRISIS

The sudden and severe impact of the novel coronavirus (COVID-19) pandemic has created much financial stress, but the crisis has also generated an intense need for charitable action. If you're able to continue donating during this difficult period, the Coronavirus Aid, Relief, and Economic Security (CARES) Act may make it a little easier for you to do so, whether you're a small or large donor.

TAX BENEFITS

From an income tax perspective, the CARES Act has expanded charitable contribution deductions. Individual taxpayers who don't itemize can take advantage of a new above-the-line \$300 deduction for cash contributions to qualified charities in 2020. "Above-the-line" means the deduction reduces adjusted gross income (AGI). You can take this in addition to your standard deduction.

For larger donors, the CARES Act has eased the limitation on charitable deductions for cash contributions made to public charities in 2020, boosting it from 60% to 100% of AGI. There's no requirement that your contributions be related to COVID-19.

CAREFUL STEPS

To be able to claim a donation deduction, whatever the size, you need to ensure you're giving to a qualified charity. You can check a charity's eligibility to receive tax-deductible contributions by visiting the IRS's Tax-Exempt Organization Search.

If you're making a large gift, it's a good idea to do additional research on the charities you're considering so you can make sure they use their funds efficiently and sure they use their funds efficiently and effectively. The IRS tool provides access to detailed financial information about charitable organizations, such as Form 990 information returns and IRS determination letters.

Even if a charity is financially sound when you make a gift, there's no guarantee it won't suffer financial distress, file for bankruptcy protection or even cease operations down the road. The last thing you likely want is for a charity to use your gifts to pay off its creditors or for a purpose unrelated to the mission that inspired you to give in the first place.

One way to manage these risks is to restrict the use of your gift. For example, you might limit the use to assisting a specific constituency or funding medical research. These restrictions can be documented in a written gift or endowment fund agreement.

GENEROUS IMPACT

Indeed, charitable giving is more important than ever. Contact our firm for help allocating funds for a donation and understanding the tax impact of your generosity. ■



TAX CALENDAR

July 31

- The second quarter Form 941 ("Employer's Quarterly Federal Tax Return") is due. If you deposited the tax for the quarter in full and on time, you have until August 12 to file the return.
- The second quarter estimated tax payment for the 2020 Oregon CAT (Commercial Activity Tax) is due.

August 17

If the monthly deposit rule applies, employers must deposit the tax for payments in July for Social Security, Medicare, withheld income tax and nonpayroll withholding.**

September 15

Third quarter estimated tax payments are due for individuals, trusts and calendar-year corporations.

- If an extension was obtained, partnerships should file their 2019 Form 1065 by this date.
- If an extension was obtained, calendar-year S corporations should file their 2019 Form 1120S by this date.
- If the monthly deposit rule applies, employers must deposit the tax for payments in August for Social Security, Medicare, withheld income tax and nonpayroll withholding.**

September 30

Calendar-year estates and trusts on extension must file their 2019 Form 1041.

* This list is *not* all-inclusive. See IRS Notice 2020-23, 2020-18 IRB 742 for more information.

** Any payroll taxes that are being deferred under the CARES Act or used as an advance payment for certain COVID-19-related credits don't have to be made.

Note: It's possible some of these due dates could be postponed (or postponed again). Contact our firm for the latest information.

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THE MARRIAGE PENALTY STILL EXISTS UNDER THE TCJA

One byproduct of the Internal Revenue Code is that the tax liability of married couples who file jointly may be more than their combined tax liabilities would be as single filers. This is “the marriage penalty.”

Unfortunately, this hasn't gone away under the Tax Cuts and Jobs Act (TCJA). For example, through 2025, the TCJA imposes a \$10,000 limit on itemized deductions for state and local taxes. The limit is the same for joint filers and single filers. That means unmarried couples can deduct \$10,000 each, for a total of \$20,000, while married couples can deduct only \$10,000. (There have been proposals in Congress to eliminate the limit.)

There's a similar marriage penalty on mortgage interest deductions. Through 2025, the TCJA reduced the amount of home acquisition debt that's eligible for interest deductions from \$1 million to \$750,000 for debt incurred after Dec. 15, 2017. Again, the limit is the same for joint filers and singles filers, so while married couples may be able to deduct interest on



only \$750,000 in home acquisition debt, unmarried couples may be able to deduct interest on up to a combined \$1.5 million.

If you're getting married, we can help you crunch the numbers and see how your union will affect your tax bill. No one would suggest that a potential marriage penalty should influence your decision to tie the knot, but knowing the impact can help you make informed financial planning decisions. ■

PAYCHECK PROTECTION PROGRAM (PPP LOAN)

Many banks and lenders will be accepting applications for forgiveness of the PPP (Paycheck Protection Program) loans in the near future. The forms and rules are still being developed by the SBA. Contact us if you need any assistance with this process. ■