

Beyond THE NUMBERS\$...

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Bragging Writes... HBG Team Members Excel

First in a periodic series

Hartman, Blitch & Gartside CPAs has succeeded for more than 60 years because of its strong team. We've built a reputation of doing the basics really well...and then adding additional advice and counsel based on decades of experience...to ensure you can always count on us.

From time to time, we'll tip our hats in appreciation to a few key team members who are steadfastly committed to serving you. So here's to you JR and Deborah...



JR's Vast Experience Benefits His Clients

Gerald "JR" Roach joined Hartman, Blitch & Gartside in 1999, and holds more than thirty years' experience as a tax specialist, helping both small businesses and individuals. As an enrolled agent, he's recognized by the United States federal government as a tax professional, qualified to represent taxpayers in dealings with the Internal Revenue Service.

JR graduated with his bachelor's degree from the University of Florida in 1972 and received his MBA from the University of Phoenix in 2000.

Before joining the HBG team, he worked as a buyer for the city of Gainesville, a tax preparer, the district manager for H&R Block, and Chief Financial Clerk in Suwannee County. While serving Suwannee County, he created, designed and implemented the county-wide Enhanced 911 Addressing System. He also serves as the First Coast Chapter President of the Florida Society of Enrolled Agents.

His long-time experience, education in finance, and position as an enrolled agent enable JR to find unique solutions to vexing tax situations, providing long-term economic benefits to his clients.

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REMINDER:

Third quarter estimated payments are due Sept. 15

If you believe your taxable income will change significantly this year, our HBG team stands ready to help. Please contact us to discuss adjusting your estimated payment.

Also due Sept. 15:

Corporation and Partnership
 Income Tax Returns

CARES Act Support Beyond Just PPP

While Congress continues debating a new bill, the original Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted in late March, included many changes to benefit those affected adversely by the pandemic, yet much of the Act's provisions were not very well publicized.

While most CARES Act publicity covers the PPP (Paycheck Protection Program), the law also provides several options for taxpayers to tap retirement funds without penalty, expands charitable giving rules, and makes some business losses easier to claim, among many other changes. Specifically:

- **Required minimum distributions (RMD) are waived for 2020.** There is no required minimum distribution for Roth's and waiving the RMD allows you to convert a traditional IRA to a Roth IRA. You'll be required to pay tax on the conversion to a Roth but as the market recovery continues, your investments after switching to a Roth are not taxed.
- **No 10% penalty for premature distributions related to the coronavirus.** The CARES Act allows withdrawing up to \$100,000 from retirement plans without incurring the 10% early-withdrawal penalty, and significantly changed the borrowing limit for 401(k) plans from \$50,000 to \$100,000 for 180 days after enactment. So until Sept 23, loan repayments are delayed through the rest of 2020.
- **Charitable deductions made easier.** Contributions to certain charitable organizations such as churches, educational organizations, hospitals and medical research organizations will not be subject to the 60% adjusted gross income limitation.

In addition, individuals can claim a \$300 above-the-line deduction for cash contributions made to most public charities in 2020. This rule effectively allows a limited charitable deduction to taxpayers claiming the standard deduction.



EXTENSION DATE: *not far, far away!*

If you weren't able to upload or submit your tax information to us by July 15th, requesting an extension was a smart move; now what?

The October 15th deadline may seem distant, but tax extenders beware! October will creep up on you quickly. Consider a few ways to keep your extension on track *before* we contact you with a friendly, "please submit your tax documents" reminder:

Continue completion process

- Assemble as many of your documents as you can now.
- If you're awaiting information from a third party, make an estimate.
- Refer to our recommended tax return checklist, found in our "Ledger Entries—the HBG Blog" on our website, and cross off items accordingly.

Maintain detailed tax notes

- Jot down how you calculated amounts (i.e., square footage of your office, mileage totals).
- Keep notes with your tax return; if IRS ever questions amounts, your notes can explain how you arrived at totals.

*Welcome to
Far Far Away*

- **Mortgage loan forbearance authorized.** Homeowners with federally-backed mortgages, such as those from Fannie Mae or Freddie Mac, may contact their mortgage loan servicer to request “forbearance”—postponement of mortgage payments—simply by attesting the coronavirus crisis resulted in financial hardship. No documentation of the hardship is required.

According to the Federal Housing Finance Agency, which oversees Fannie Mae and Freddie Mac, mortgage servicers are allowed to approve forbearance periods for 90 days at a time. Before those 90 days expire, customers must contact their servicer again if they need another 90 days, and so on, for up to a year.

- **Remote care services covered by high deductible health plans.** For plan years beginning before 2021, the CARES Act allows high deductible health plans to pay for expenses for tele-health and other remote services without regard to the deductible amount for the plan.
- **Employer payments of student loans added to current exclusion.** An employee may exclude \$5,250 from income for benefits from an employer-sponsored educational assistance program. The CARES Act expands the definition of expenses qualifying for the exclusion to include employer payments of student loan debt made before January 1, 2021.
- **Operating losses rules expanded.** Net operating losses after December 31, 2017 and before January 1, 2021 can be carried back to each of the five years preceding the tax year of such loss.

Additionally, the trade or business deduction for losses of non-corporate taxpayers is no longer limited to \$250,000 for losses arising in 2018, 2019, and 2020. The Act also included other technical corrections and clarifications related to the limitation of losses for non-corporate taxpayers.

- **Businesses are now allowed to claim 100% bonus depreciation for Qualified Improvement Property (QIP),** as long as certain other requirements are met. QIP refers to interior improvement of a non-residential building, as long as that improvement is made after the building was first placed in service by the taxpayer.

This change is further helpful in that it’s retroactive, reaching back to any QIP placed in service after Dec. 31, 2017. Unfortunately, improvements related to the enlargement of a building, any elevator or escalator, or the internal structural framework continue to be outside of the definition of QIP.

Bottom line: the CARES Act was implemented to help eligible businesses and individuals who’ve been negatively affected by the economic impacts of COVID-19. You can learn more at the Treasury Department’s website, or of course, call us at your convenience.

<https://home.treasury.gov/policy-issues/care>

Keep tax documents organized

- Separate documents between data already delivered or uploaded to our website and remaining information to be submitted.
- Label folders in detail, and temporarily file in a secure area of your home or office.

Submit documents as soon as possible(!)

- Upload files immediately upon completion so we can *confirm* you don’t owe money—you don’t want the unhappy news you still owe tax, and now penalties and interest.
- The faster you submit your documents to us, the quicker your refund can be used to:
 - Pay off debt
 - Create an emergency fund
 - Fund your retirement
 - Invest money back into your business

Simply stated, you’re running out of time to procrastinate. Don’t assume you’ll discover more deductions if you wait to file. No worries—if you inadvertently omit important data, we’ll contact you and request any additional information necessary to complete your tax return.

And let’s face it, the faster you can check off “file taxes” from your yearly to-do list, the easier it becomes to kick back and enjoy...your masks and social distancing.



Serving You with Better Communications

Hartman, Blitch & Gartside CPAs continues to evolve in its use of technology so we can always be efficient and responsive to you. In 2019, we implemented a 21st-century work environment, enabling us to remain fully operational during most man-made and natural disasters...including a once-a-century pandemic.

Thanks to the firm's innovative remote technology, members of the HBG team began work remotely on a rotating basis, enabling staff to answer calls while working at a client's location or from home. The automated attendant directs your call to the right person wherever they are, eliminating any "gatekeeper" or answering service feel, and enabling us to give you the personal service you deserve.

Since we're often involved in highly technical work, we may not always answer your call immediately, so please be sure to leave a message. Even better, send an Email so we can keep a record of your request and our response. Every staff member's Email can be reached under their photos in the "Partners and Associates" link of our new website, where you can also schedule an in-person appointment.

904.396.9802 | hbg@HBGcpa.com | www.HBGcpa.com



JACKSONVILLE
6817 Southpoint Pkwy., Ste. 2303
Jacksonville, FL 32216

BEACHES
427 3rd St. N.
Jacksonville Beach, FL 32250

HBG Team Members Excel

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He and Patty – his wife of 40 years – live in Suwannee County on 76 acres, which has been in Patty's family since 1892.

Together they enjoy quality time with their 4 children and 8 grandchildren, while living JR's personal motto: "Life's short – eat dessert first."

Deborah: Kindness Counts

Originally from Georgia, Deborah Wilderman represents the 'better half' of the Eric and Deborah Wilderman team at Hartman, Blitch & Gartside, handling a variety of accounting and financial management tasks, from inventory monitoring to bookkeeping and payroll.

After staying at home until her boys entered their teenage years, Deborah earned her bachelor's degree in business administration from the University of North Fla. One of her proudest moments was walking across the UNF stage and receiving her diploma to the cheers of her husband, Eric, and their three boys in attendance.



Deborah began her career as an accounting audit intern at Patrick & Robinson CPAs prior to joining the HBG team in 2018. She values her strong rapport with clients, and continues to be an active member of AICPA.

In addition to spending time with Eric and their three boys, often involving board games and cards, Deborah enjoys quilting and the unique craft of pour painting and fluid art.

Though dealing with numbers and deadlines and the typical daily life of a businesswoman, Deborah's the first to remind us, "It costs nothing to be kind. You never know what others are going through and a simple gesture of kindness may change the course of someone's day."

Thank you JR and Deborah – we're delighted you're part of our HBG family!