



WIECHEC & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

118 W. Flint St. Davison, MI 48423

Phone (810)-658-0070

I hope you and your family had a great and safe holiday season this year. It was a pleasure meeting many of you during the 2019 tax season and I look forward to working with you during the 2020 tax season. As we begin preparing for the 2020 tax season, I wanted to take the time to provide you with a few updates.

First, as with many things in 2020, COVID-19 has changed the way we will be working. Per guidance from healthcare authorities, I am implementing a different process to complete your tax returns so I can limit both the number of people in the office and the amount of time people spend in the office. I feel these changes will help keep people safe and allow us to still complete your return in a timely manner. The key changes we are implementing for the 2020 tax season are:

- We are requesting that you drop off your tax information or electronically send it to us using our secured drop box (We included a questionnaire at the end of this letter to help you gather your information).
- We will review the information and prepare your return. If we have any questions about the information you provided, we will contact you.
- Once the return is completed, we will review it with you and answer any questions that you may have. This meeting can be in-person, telephonic or through a Zoom or Teams meeting, whichever you prefer.
- Lastly, we are implementing a new tax software this year that will allow us to take advantage of other software systems used in the office and will enable us to implement an electronic signature process should you decide you want to complete your return in this manner.

Please know that we will continue to revise our processes as we continue to learn more about the COVID-19 virus and receive additional guidance from our healthcare authorities.

Second, I indicated last year that I was anticipating my son, Chris, would join the firm at some point. In October, Chris and I agreed that now was a good time. For this year, Chris will be completing tax returns and will also be assisting in reviewing returns as they are completed. Please see our website at www.wiechec.cpa for Chris's bio.

Third, we are in the process of making changes at the office and to our website – www.wiechec.cpa. From an office perspective, we are completing an upgrade to the reception area, which includes the addition of a secure drop box. We are also updating our website so you can schedule meetings, find information about current topics or make an electronic payment if you like.

Fourth, from a tax perspective, 2020 was a relatively quiet year as there were no significant changes in the tax laws for individuals. However, I provided below a key summary of the tax law topics, including the minor changes, that are usually relevant to individuals. I hope you find these key topics useful:

1. **Stimulus payments.** During the year, two stimulus payments were made to taxpayers based upon either their 2018 or 2019 filed tax returns. If you haven't received these stimulus payments and are eligible for them, they will be given to you as a refund on your 2020 tax return. The IRS will be reviewing returns to ensure the amounts claimed are consistent with amounts paid. The IRS will make adjustments to tax returns based upon this comparison if amounts reported are different from their records.
2. **Taxable rates.** The income tax rates haven't changed but the income tax brackets have been adjusted for an inflation factor.
3. **Standard deduction.** The standard deduction has been adjusted for inflation, so the standard deduction for a single person went from \$12,200 to \$12,400 and for married filing jointly the standard deduction went from \$24,400 to \$24,800.
4. **Child tax credit.** This didn't change. If you have children that are 16 years old and younger, the child tax credit is \$2,000 per child.
5. State and local income and property taxes. This didn't change as the deduction is limited to \$10,000.
6. **New home equity loans.** This didn't change. You can only deduct the interest if you used the money from the home equity loan to improve your home.
7. **Health insurance.** The penalty has stopped.
8. **Qualified Business Income Deduction.** Additional guidance was provided by the IRS during the year, with a safe harbor being defined for rental income properties. I will discuss these requirements with you, if applicable, when we meet to do your taxes.

Lastly, the IRS has been emphasizing the following tax law topics.

1. **Children in college.** If you have children in college, I need to see proof of payments to the college. This proof can be in the form of cancelled checks, receipts from the college, credit card statements, etc. I also still need your IRS tax form 1098T that the college issues.
2. **Foreign Bank Accounts.** If you have any foreign bank accounts that had a balance over \$10,000 at any point during the year, then I MUST know this so we can report it on your tax return and file any other required forms.
3. **Virtual/ electronic Currency.** The IRS is now starting to consider how electronic currencies are being used and are going to be taxed. Please let me know if you have any digital currency or used digital currency to purchase any goods or services.

I look forward to working with you this year.

Sincerely yours,

Daniel A. Wiechec

Christopher A. Wiechec