Greetings one and all:

How do we begin to open our yearly newsletter having just finished 2020? A new decade began and we were suddenly thrust into a lot of unknown. However, out of the unknown I have seen plenty of resilience and creativity and I imagine we will see even more this year. One thread that has been consistent this year is that soon after Shelley and I receive an update on a new tax matter and prepare to implement, IT gets CHANGED!!!! We are choosing to find the

humor in this and are chuckling yet again. Some of the other threads in the last months include clients calling to make adjustments to their financial strategy based on the new mandates due to Covid. Lastly most of you have already begun to receive the new additional stimulus checks approved the last week of December.

While you are waiting for you tax documentation to arrive, please take note of a few items highlighted on the IRS website:

**Recovery Rebate Credit/Economic Impact Payment.** Taxpayers who received an [Economic Impact Payment](https://www.irs.gov/coronavirus/economic-impact-payment-information-center), should keep [Notice 1444, Your Economic Impact Payment](https://www.irs.gov/newsroom/keep-economic-impact-payment-notice-with-other-tax-records), with their 2020 tax records. They may be eligible to claim the [Recovery Rebate Credit](https://www.irs.gov/newsroom/recovery-rebate-credit) on their tax year 2020 federal income tax return if:

* they didn't receive an Economic Impact Payment, or
* their Economic Impact Payment was less than $1,200 ($2,400 if married filing jointly for 2019 or 2018), plus $500 for each qualifying child they had in 2020.

If a taxpayer didn't receive the full amount of the Economic Impact Payment for which they were eligible, they may be able to claim the [Recovery Rebate Credit](https://www.irs.gov/newsroom/recovery-rebate-credit) when they file in 2021. Individuals do not need to complete information about the Recovery Rebate Credit on tax year 2020 Form 1040 or 1040-SR when filing in 2021, unless eligible to claim an additional credit amount.

**Interest on refunds taxable.** Taxpayers who received a federal tax refund in 2020 may have been paid interest. [Refund interest payments](https://www.irs.gov/newsroom/13-point-9-million-americans-to-receive-irs-tax-refund-interest-taxable-payments-to-average-18-dollars) are taxable and must be reported on federal income tax returns. In January 2021, the IRS will send [Form 1099-INT](https://www.irs.gov/forms-pubs/about-form-1099-int) to anyone who received interest totaling $10 or more.

**Charitable deduction changes.** New this year, taxpayers who don't itemize deductions may take a [charitable deduction](https://www.irs.gov/newsroom/how-the-cares-act-changes-deducting-charitable-contributions) of up to $300 for cash contributions made in 2020 to [qualifying organizations](https://www.irs.gov/charities-non-profits/tax-exempt-organization-search). For more information, read [Publication 526, Charitable Contributions](https://www.irs.gov/forms-pubs/about-publication-526).

**Refunds**. The IRS always cautions taxpayers not to rely on receiving a refund by a certain date, especially when making major purchases or paying bills. Some returns may require additional review and processing may take longer. For example, the IRS, along with its partners in the tax industry, continue to strengthen security reviews to help protect against identity theft and refund fraud. Just like last year, refunds for tax returns claiming the [Earned Income Tax Credit or Additional Child Tax Credit](https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit), cannot be issued before mid-February. This applies to the entire refund, even the portion not associated with these credits.

The IRS reminds taxpayers that the fastest and safest way to receive a refund is to combine direct deposit with electronic filing including the IRS [Free File](https://www.irs.gov/filing/free-file-do-your-federal-taxes-for-free) program. Taxpayers can track their refund using the [Where's My Refund?](https://www.irs.gov/refunds) tool.

**Mileage.** I suppose because many were working from home the IRS used these statistics to reduce the standard mileage rate in 2021 to 56 cents per mile. This is down 1.5 cents from 2020. I’ll make no further comments on this. I will note that many of you had deeply desired to work from home for many years and your employers thought it an impossibility but this year saw a change in this shift and I am glad to see that you got this option.

**More Information.** Since we would not be able to adequately mention all pertinent tax information, I have uploaded several tax newsletters to my web page. I have uploaded a Tax Tips Newsletter Winter 2020 -21 for individuals and business each in the Newsletter Tab at [www.taxladymargy.com](http://www.taxladymargy.com). Be sure to look at these as they have valuable information.

<<<OFFICE NEWS>>>

Hopefully you received a postcard announcing our move to 385 Garrisonville Rd Suite 113. We are very excited about it though we do miss the companionship of the folks at Pierpoint Construction. The move allows us to be on one floor and have extra room to bring along side of us a magnificent admin assistant, Gamble. The office building is at the Aquia Professional Village conveniently located at the traffic light shared with Onville Rd. The complex is across from the CVS and 7 Eleven. Our office is in the second building on the right as you come in. The first building is the Barber Shop. Our door is the first you will come to in the second building and it has our names on it. Plenty of parking is available. We are truly excited and cannot wait to see you.

Speaking of seeing you…as much as we would like to have you come in to see us in our new office, we understand that health and safety is the utmost priority so we have many options to interact with you at your request. Our drop box is in place outside the front door. We will, as last year, come out to the car and get your documents when that seems the best option for you.

We are so excited to be making a switch to a more client friendly secure drawer system/portal called **Tax Dome**. This portal will allow a more user-friendly experience to include a mobile app! There are several exciting features that we want to make you aware of. The first one we love is that we will be able to communicate with you directly in the software and have the ability to create a to-do list right in the portal so you will no longer have to search for emails with instructions. You will also be able to upload and download all your documents and tax returns. One of the most exciting features is that we will be able to collect signatures directly on this software without the added steps of printing and signing the form prior to returning it to the portal. You can simply type in your name on the computer or your phone and the signature is collected. You will also be able to view, pay your bill and see account balances. For those of you with business and personal accounts, you will only be required to remember one login. We are so excited to be able to offer you all of these features all in one place - we both believe that you will be very happy with the new format!

We are in the process of preparing the software for the 2021 tax season. Within the next few weeks we will be sending out activation emails with your new account information. For those of you that file married/joint, each taxpayer will need to have their own login which will be connected to the one account. We ask that you be patient with us this tax season as we collect additional information such as email addresses from one or both taxpayers. For those of you that don’t use the portal but would like to have access to your account, please contact us and we will send you sign up instructions.

Basically, we are stoked about Tax Dome!!!

**Shelley’s News** – This was a difficult year for everyone and thankfully Shelley and her family were able to stay safe and healthy. Once travel was again allowed, Shelley and her husband, James, were able to take several weekend trips to relax and see family/friends in Tilghman’s Island, MD and Myrtle Beach, SC. James accepted a position with Revelations Counseling and Consulting in Feb 2020 and is enjoying his clients and a new firm family. He continues to work on his doctoral dissertation. Her oldest son, Caleb, is still in San Diego going to school full-time for computer science. He loves his classes and enjoys the virtual gaming world. Her daughter, Julie, was able to graduate from Liberty University and was hired by the Chesapeake School System as an ASL interpreter. Julie’s big thing this year was that she became engaged to her boyfriend, Josh, in Oct 2020 with a wedding planned for Nov 2021. Her youngest son, Seth, just finished up his first year with the Navy and is stationed in San Diego. His ship will be moving home ports to Japan in the summer of 2021.

**Margy’s News** – No virus can dampen my world when I had the joy of receiving a new granddaughter this year. On October 21, 2020 Kalle Rose was born in Sacrament to Jordan and Tiffany. Their first. I now have 13 amazing grandkids to love on! I traveled to visit Kalle Rose in November, where I enjoyed myself immensely by holding her for 10 days.

The other grandchildren have adapted greatly to a world using masks. And albeit activities were curtailed they found their own family activities to keep them active and happy.

Camping, cycling, paddle boarding, and hiking have taken on a new look with social distancing but I have managed to do them with the kids and have created great memories.

I am personally bemused by the fact I had to create a small space in my sock drawer for masks.

A dear friend of mine says that masks are “the new dice hanging from the rear view mirror”.

We are eagerly looking forward to being part of your tax and accounting solutions and pray that this new year will be one that brings all of the blessings He can so generously bestow on us.

Our new address is

385 Garrisonville Rd Suite 113

Stafford, VA 22554

Our new office phone number is 540-628-0464. If Gamble is not there to assist with the connection, there will be prompts to help you to reach each of us. For the time being, Margy’s 540-752-1996 number is rolling into the new office line.

We love to take this time to remember that Christ’s birth, life, death, and resurrection is the reason for our joy and hope, Covid or not. Happy New Year and welcome to tax season 2021!

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