

The Lehane Tax and Financial Planning Group

A New York State Registered Investment Advisory Firm

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IRS Enrolled Agent: Tax Professional

Certified Financial Planner®

Certified Divorce Financial Analyst™

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Welcome to 2021 and a world full of possibilities!

There have been minor rule changes for the tax year 2020, a few might be relevant on your tax returns.

1. I will be asking for the **amount** of the Stimulus Check you received this spring. This amount is required to be reported on your 2020 return. It is not taxable but you may be entitled to an additional amount if your income has changed.
2. There is a new (temporary) Charitable Deduction of up to \$300 that can be claimed without itemizing your deductions, however, it must be made by cash, check or credit card only. If you qualify, this deduction will reduce your taxable income. This deduction is only for tax year 2020, unless changed.
3. Cryptocurrency transactions are still of primary importance. Both the purchase and sale of the currency.
4. NYS has picked up all the deductions that are no longer allowed on the federal return. This includes all mortgage interest and Real Estate taxes plus employee business expenses.
5. Any money taken out of an educational 529 plan that was not used due to cancelled classes can be returned to the 529 program within 60 days of withdrawal to avoid a tax penalty.
6. This returned funds rule also applies to retirement plans where you must take a yearly distribution. In 2020, the RMD requirement has been waived. The age for your RMD from retirement plans has permanently increased from 70 ½ to 72.
7. The CARES Act allowed people under 59 ½ to take out up to \$100,000 from their 401(k)'s and IRAs without having to pay an early withdrawal penalty up until the end of 2020. This money is taxed as ordinary income but there will be no additional age-related penalty.

8. The SECURE Act also allows owners of traditional IRAs to keep putting money in their accounts past the age of 70 ½ starting in 2020. This money is still taxable upon withdrawal.

Sending tax information to me can be accomplished several ways:

- Uploading to my online web portal through SmartVault (let me know if you are interested and I will send you a link)
- Fax ((941) 244-0812)
- Regular mail
- I have tax organizers available, if that helps, let me know and I'll send you a copy. You can text a request to my cell at (631) 807-1469.
- On any material you send me, you can cross out, black out or cut off any social security numbers once you have verified them, if you wish to do so.

The tax information that you send can be just a copy, I no longer need originals.

- Your income statements
- I need lists of all your deductions but I do not need receipts. Save these receipts for your records as backup in case your deductions are challenged.
- Your driver's license- front and back- **ONLY if you have renewed or the information has changed for some other reason.**

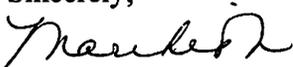
Once I have received your tax information and reviewed it, I will either call, text or email, depending on your preference, to discuss whether all your income has been reported and if all the possible deductions have been taken. Upon completion of your tax return, payment is due. In addition to checks, I also accept Visa, Mastercard, Discover, American Express, Venmo and Zelle.

Your tax return will be electronically filed once you have signed and returned to me the Federal 8879, NYS Authorization and payment has been completed.

It is my hope that if anyone has received a phone call, text or email from someone saying they represent the IRS, that your first phone call is to me. The IRS never, ever calls anyone to ask for money. They send several letters, many of which are by certified mail. In any case, they never ask for over the phone payments nor do they ask for or accept gift cards nor can they send the police to your home.

I always look forward to working with you. Please feel free to call me at any time.

Sincerely,



Mary Elizabeth Lehane