

COVID-19

Doing Our Part

Update on Tax Return and Relief Implications

SBA Economic Injury Disaster Loans

DOING OUR PART

The safety and health of our community is first and foremost. BARDER is committed to providing the best service during this uniquely challenging time.

Although our office is currently closed to visitors, we continue to be available to respond to any questions or concerns you may have via phone or email.

We encourage you to send your information through the [client portal](#) or through the mail. We have also set up a locked drop box outside our office suite during business hours.

In reaction to the call for social distancing, we have implemented the option of electronic signatures using IRS Compliance standards. You will receive instructions through email during the final steps of your tax preparation.

UPDATE ON TAX RETURN AND RELIEF IMPLICATIONS

The federal tax filing and payment deadline has been postponed until July 15, 2020. Several states have taken action to mirror the federal government's postponement. Minnesota, Iowa, North Dakota and Wisconsin are among those states that have postponed payment and filing dates.

What does the postponement mean for you? See the examples below:

1. Jane Doe filed her federal and MN tax returns on March 1. She owes payment to the IRS and MN. She has not yet paid her balances owed. **Jane has until July 15, 2020 to pay both her federal and MN tax liability. No interest or penalties will be imposed on her balances owed if she pays on or before July 15.**
2. John Smith Inc, a C-corporation located in Minnesota, normally has a filing deadline of April 15, 2020. The company has both federal and MN income tax owed. **John Smith, Inc has until July 15, 2020 to pay both federal and MN tax liabilities. No interest or penalties will be imposed on the balances owed if paid on or before July 15.**
3. Jack and Jill had enough withholding to cover their federal and state tax liability. They are due to get a refund from both federal and state agencies. They did not file an extension or their individual return by April 15, 2020. **Jack and Jill have been deemed to have filed a return because their tax liability was paid in full. They can still file tax returns to get their overpaid taxes refunded, without penalty or interest.**
4. Joe Schmoie is a Minnesota resident and makes estimated tax payments quarterly to cover his income tax liability related to his taxable retirement income. Joe can postpone his federal first quarter* payment until July 15, 2020. However, his Minnesota first quarter payment is still due April 15, 2020. ***Note – IRS has not indicated that the second quarter payment can be postponed. Currently, only Q1 is eligible for payment postponement - Q2 is still due June 15.**

SBA ECONOMIC INJURY DISASTER LOANS

The Minnesota Department of Employment and Economic Development (DEED) announced Saturday the availability of SBA Economic Injury Disaster Loans for Minnesota businesses. These low-interest loans of up to \$2 million are available to small businesses and private nonprofits and may be used toward working capital to meet needs such as payroll, accounts payable and fixed debt payments that can't be paid due to the COVID-19 pandemic.

Please visit the [SBA's Economic Injury Disaster Loan webpage](#) for more information. Applications for loans are accepted online.

Regards,

The **BARDER** Team