



2021

From Surviving to Thriving

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2021 tested many of us. At Mushlock & Associates, the challenges began with the 2020 tax filing season. There was an unprecedented amount of legislation passed impacting each of us in some way. While navigating the new legislation we were balancing the need to keep our team at Mushlock & Associates safe and at work with the need to service each you at the level you deserve. For our tech savvy clients, the introduction of our client portal (Canopy) and the utilization of zoom was the solution. It allowed us to exchange, sign, and discuss your tax return conveniently and safely. For those of you that prefer in person tax preparation, we will continue to schedule tax appointments when you drop off your documents. There is no appointment necessary when dropping off. If you have any questions about our processes, or would like to make special arrangements, please don't hesitate to reach out.

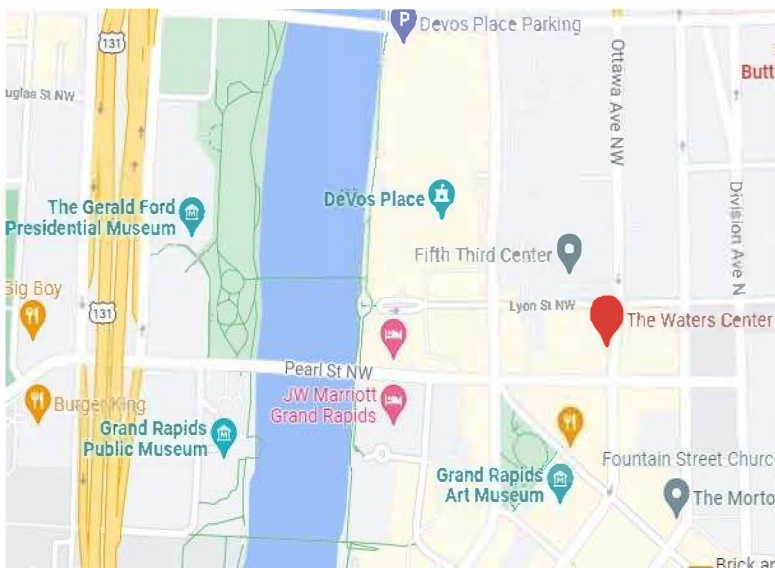
We quickly became experts in the nuance of the new legislation and our newly developed processes were delivering on our promise to make tax filing as convenient, informative, and painless as possible. You took notice by sending referrals at an unprecedented pace. A referral is the biggest compliment we can receive. We are so grateful for your confidence in us. We look forward to continued growth and

Business Owners

- *Self employed individuals that were unable to work for reasons related to Covid-19 may qualify for a credit equal to their average daily earning for every day they could not work.*
- *You can now pay up to \$5,250 of an employee's student loan debt. The business can deduct these payments and it is not taxable to the employee.*

Unemployment Income Received in 2020

Usually, when you collect unemployment, you have to pay federal and state income tax on that money. On March 11, 2021, after many of your returns had been filed, the American Rescue Plan excluded from income up to \$10,200 of unemployment compensation paid in 2020 if your AGI was less than \$150,000. IRS guidance dictated that we not file an amended return to claim a refund for tax paid on our unemployment. "The IRS will automatically refund money to people who already received their tax return reporting unemployment compensation." For some of you, this was true. For many of you, it was not. To complicate matters, The State of Michigan told us that we needed to file an amended return to claim a refund resulting from taxable unemployment benefits. If you paid tax on unemployment benefits received in 2020, and you have not received your refunds, please let us know.



Our Grand Rapids office has moved. We are now located in the Waters Center. 161 Ottawa Ave NW. Our parking ramp is located at 119 Pearl St. It has entrances on Pearl & Lyon. Park and take the elevator in the South East corner of the ramp to the 2nd level. On level 2 you will find a bridge to the Waters Building. Follow that bridge/hallway until you enter the Waters Building. Steps to the Mezzanine West will be directly on the left. Our office is up the steps, at the end of the hallway. Suite 116-M.

Refund Delays & Stimulus Payments

In 2020, many taxpayers experienced longer than usual processing delays. 5.9 million tax returns remain unprocessed as of December 1, 2021. The reason cited for most processing delays is the mismatch of stimulus payments reported as received on the tax return with IRS records. This mismatch results in manual reviews by the very short staffed IRS. These reviews are ongoing.

In 2021, we face a similar struggle. We will be forced to reconcile the third stimulus payment received as well as any Advance Child Tax Credit payments received. In

How to Prevent Refund Delays

1. The IRS will be issuing letters 6475 and 6419 in January of 2022. These letters will outline the exact amount of the **Third Economic Impact Payment** and Advanced Child Tax Credit Payments. We need these letters.
2. **What if I don't receive letter 6475 and/or letter 6419?** In this case you will need to create an account with the IRS. Go to irs.gov/payments/view-your-tax-account
3. **What if I don't agree with the amount shown on the letter or my IRS account?** The IRS

has advised us that any mismatch in amounts regarding stimulus payments or child tax credit payments will be treated as a math error by their computers. In other words, reporting a different amount on the originally filed return is futile. What we will do is file the original return agreeing with the amount they have given us, then amend the return with the actual information. When we amend the return we will be able to provide evidence of our disagreement in the form of bank statements or check stubs.

The American Rescue Plan made claiming a dependent of any age more valuable than ever, giving \$1,400 to their parent or guardian. It's not too late to claim this payment. Please review the below chart regarding dependents to see if you qualify for additional funds.

Tests To Be a Qualifying Child	Tests To Be a Qualifying Relative
<ol style="list-style-type: none"> 1. The child must be your son, daughter, stepchild, foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them. 2. The child must be (a) under age 19 at the end of the year and younger than you (or your spouse, if filing jointly), (b) under age 24 at the end of the year, a student, and younger than you (or your spouse, if filing jointly), or (c) any age if permanently and totally disabled. 3. The child must have lived with you for more than half of the year.² 4. The child must not have provided more than half of his or her own support for the year. 5. The child must not be filing a joint return for the year (unless that return is filed only to get a refund of income tax withheld or estimated tax paid). <p>If the child meets the rules to be a qualifying child of more than one person, only one person can actually treat the child as a qualifying child. See <i>Qualifying Child of More Than One Person</i>, later, to find out which person is the person entitled to claim the child as a qualifying child.</p>	<ol style="list-style-type: none"> 1. The person can't be your qualifying child or the qualifying child of any other taxpayer. 2. The person either (a) must be related to you in one of the ways listed under <i>Relatives who don't have to live with you</i>, or (b) must live with you all year as a member of your household³ (and your relationship must not violate local law). 3. The person's gross income for the year must be less than \$4,200.⁴ 4. You must provide more than half of the person's total support for the year.⁴

Client Portal

To get set up with your client portal, please call (616-678-7531) or email Rob (robert.rexford@mushlock.com) for assistance. You'll be able to:

1. Complete your 2021 Tax Organizer
2. Upload Documents using a computer or the cell phone app
3. Review/Sign Returns and/or other important documents
4. Schedule a post tax preparation phone call or Zoom meeting with Dan or Vitalys.

What's a Client Portal?

We understand that paper copies still work best for many of you.

To Send us your Documents:

1. Mail your documents to our Kent City office
2. Drop off your documents in Kent City or Grand Rapids.

Picking Up your Documents:

1. During normal business hours, your documents will be available for pickup by appointment
2. By request, we will mail your documents back to you
3. Make an appointment to pickup and review your return with Dan or Vitalys. This must be made for at least 1 week after dropping off your documents.

Already have a Client Portal?

If you already have a client portal, that's great! If you have not logged in for a while, the URL for the site is mushlock.clientportal.com

If you do not know your password, there is a "Forgot your password?" link below the sign in section that will help you.

If you are unsure which email address your account is linked to, just give us a call and we can help you out

