

## 2020 Tax Season Was Not So Much About Taxes



What is normally our busiest time of year for tax preparation, mid- March to April 15<sup>th</sup>, turned into a busy time doing something besides taxes: Advising and assisting our business clients on the CARES Act and the Paycheck Protection Program (PPP). Although we continued to work on taxes during this time, our main thrust was the PPP. We spent long hours (at our home offices) coordinating our efforts to learn about the new laws, build a template for PPP loan applications, and figure out how to be on the economic forefront to assist our clients in obtaining funds from the SBA and to help ensure their survival beyond the COVID shut-down. (A special thank you to Mark Duffy, President of Mountain Pacific Bank, for his insight and help that allowed us to be out in front of the PPP loans for our clients). The PPP offers loans to small businesses so they can pay their employees (even if not working), and pay rent and utilities during the shut-down. If used for these purposes, the loan is forgiven by the SBA and the business pays nothing back. As of this writing, we have over 70 clients with confirmed funding. Though the process was sometimes grueling and stressful for our business owners, we got through it together. I can't think of a better use of our time! I'm proud of the work that we did and the clients that we serve. We are hopeful for better times to come and the survival of the small businesses that are such an integral part of our economy and communities.

~ Peg O'Meara, CPA

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## The Log: A Werner, O'Meara & Co. Newsletter



### A Thank You to Our Clients

From the Partners and Staff of Werner, O'Meara & Company: Thank You to all our loyal business and individual clients!

As a way of giving back to our business clients and our communities, we will not be billing our time for consultations and assistance related to the CARES ACT, the Paycheck Protection Program, and Unemployment Benefits. We strive to put you first in serving as your CPA and trusted advisor. We spent hundreds of hours in March and April to be at the economic forefront so we could advise and assist you in this uncertain time. We assisted over 100 small businesses in our communities and we look forward to a continuing relationship with you for years to come.

Thank you to our individual clients for your patience as we devoted our normal tax season to this very important role.

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## Qualified Improvement Property

The CARES Act included a long-awaited and much anticipated technical correction to the depreciation method for Qualified Improvement Property (QIP). QIP refers to most improvements made to a property after its original placed-in-service date. These improvements are now (and retroactively) eligible for a 15-year depreciable life as well as 100% bonus depreciation.

If you placed QIP in service in 2019 and filed before the passage of the CARES Act, or you placed QIP in service in 2018, contact your CPA to discuss the tax implications of amending your return(s).

☞ Charlie Meyerson, CPA



## Payroll Tax Deferral Allowed Due to COVID-19

All employers may defer the employer portion of Social Security tax (6.2%) for payments due between March 27, 2020 and December 31, 2020. Half of the deferred taxes are due on or before December 31, 2021 and the remaining half are due before December 31, 2022. The deferral also applies to half of the Social Security portion (6.2%) of quarterly estimates due from self-employed individuals. Employers may not continue to defer Social Security taxes after they receive forgiveness from the Paycheck Protection Program or the Main Street Lending Program.

☞ Sharie Landsverk, CPA

## Help for Businesses Paying Sick Leave to Employees

If you are a small business paying sick leave to your employees, you may be eligible for a refundable payroll tax credit. The credit is designed to support businesses paying sick leave to employees unable to work due to COVID-19. The credit can be used immediately as a reduction of your normal 941 deposit and is claimed on form 941. Self-employed individuals can also be eligible for a credit. See our website or contact your CPA for more details on eligibility.



☞ Rachel Griscom, CPA

## Employee Retention Credit

The coronavirus tax relief includes a refundable credit for 50% of up to \$10,000 in wages per employee retained during the COVID-19 shut-down. This credit is available to all employers whose operations have been fully or partially suspended as a result of a government order (i.e. restaurants restricted to carry-out or delivery only) -or - all employers whose quarterly gross receipts are less than 50% of what they were in the same quarter in 2019. The credit is available for wages paid starting March 13, 2020 and goes against the employer portion of social security taxes. This credit is not available to employers who receive a small business Paycheck Protection Program (PPP) loan.

☞ Remington Rohrer, CPA

