



News, information, perspectives for households, investors, individuals and retirement minded clients of Nagel CPAs, LLC.

Tips for the 2021 tax filing season:

By the time you read this you will, hopefully, be receiving tax data from 2020. 1099's and W-2's will be arriving soon. You should have received a Tax Organizer from us by now, if not, please call Rie LaMar in our office to request yours.

On December 27, 2020, President Trump signed the Consolidated Appropriations Act. In addition to additional COVID-19 Relief, certain tax measures were included in the bill that affect the preparation of 2020 tax returns. Consequently, final forms will not be available until February 12. It is hard to say what effect this may have on software providers.

We do not anticipate an automatic extension of time to file (and pay) 2020 tax returns similar to last year. The traditional deadline of April 15 for individual returns has not changed. So, the forms delay effectively condenses the time available for return preparation. If you have a very specific need to have your returns filed by the deadline without extensions, please let us know soon. We will do our best to help with timely filings. Otherwise, I predict we will be filing an even greater number of extensions at March 15 and April 15, than normal.

As in prior years, we cannot guarantee completion if all required data has not been received by us three weeks before the filing deadline. Since we process returns on a First-in, First-out basis, when possible, the bottleneck will be greater than normal this year. Plan accordingly.

Please make us aware of any special COVID-19 Relief benefits you received in 2020, like stimulus payments, PPP loans, etc. Be aware that Unemployment Compensation is taxable income, generally with no related withholdings. This can cause an unexpected tax liability.

Ex-post facto tax planning:

We advocate strongly for retirement funding through IRAs (Traditional and/or Roth's), SEPs, 401k plan contributions, etc. (See *attachment at the click box below*.) Funding deadlines have not changed. So IRAs must be funded by April 15. SEPs and 401k plans can be funded later, generally, by the extended due date of the return.

President Biden's proposed tax law changes:

While it is too early to predict exactly what may be changing, we do have strong indicators which suggest increasing rates at certain levels, reduced benefits and elimination of many provisions of the Trump Administrations programs. Rest assured, we are watching and listening closely to all tax related activity in Congress through our normal professional channels. We will use our newsletter to keep clients informed. Inevitably, as in years past, much misinformation will likely surface soon. Please contact us if you are curious about how proposals may affect your unique circumstances.

COVID-19 impact on operations:

We have gone to great lengths to prevent the spread of the virus among our clients and staff with specific policies and procedures. We encourage digital transmission of data wherever possible through our electronic tools. While we discourage face-to-face meetings, preferring instead teleconferencing through Zoom. However, we will schedule meetings in our conference room when necessary. Email and telephone calls still work great for communicating between us. Please help us continue our sensitivity to clients and staff (and their families) with underlying age or health considerations deserving special attention.

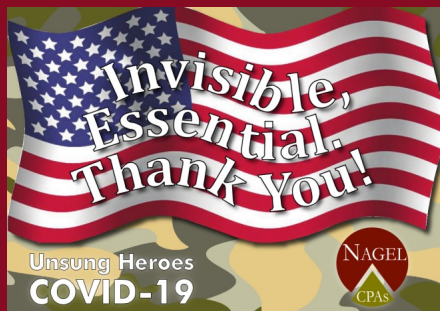
Lastly, let me say *Thank You* for your continued support and encouragement. 2020 was, by far, the most

difficult year of my career, just as it was for most of you. We are grateful for the privilege of being able to serve clients throughout the year, without a single C-19 case. We are hopeful for improving outcomes as the vaccines become widely distributed.

Roger C. Nagel, CPA/PFS, CMA, CGMA

"...choosing the right retirement accounts to hold your investments in is a big deal. It could mean the difference between enjoying tax-free withdrawals in retirement or having to pay Uncle Sam every time you open up your nest egg."

Choosing the right Retirement Account



We have complimentary appreciation magnets in our office for all Unsung Heroes of Covid-19. Come get some for your family and friends, while supplies last.

Beware of fads & buzzwords

--As published in the Rio Rancho Observer on January 17, 2021

"Most people who are financially successful have accumulated their wealth in small amounts over many years through repetitive and methodical activities."

If you know someone that would benefit from the information provided in these newsletters please contact rlamar@nagelcpa.us, or call 505-898-2558 to add them to our subscriber list.

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