

H & R PYE'S TAXSAVER

As we close out 2020, it is our hope that whatever is beautiful, whatever is meaningful, whatever brings you happiness, may it be yours this Holiday Season and throughout the coming year.



2021 TAX SEASON PRECAUTIONS

As of this writing, it is evident that Covid-19 will not be coming to an end anytime soon. In fact, the numbers in Maine continue to climb, alarmingly so. As you know, we are a small office both in staff size and physical space. Several of us suffer from immune disorders, or have immediate family members who have immune disorders. Due to a COVID-19 exposure, we recently had to close our office for two weeks to quarantine. We cannot afford to lose precious time away from the office again. Accordingly, we have made the hard decision to alter how we will handle appointments in 2021.

THERE WILL NOT BE ANY IN-OFFICE APPOINTMENTS.

We realize this may make things a bit more difficult for you, but we have to consider not only our health but also the health of our clients.

We are offering several options for your tax preparation this year.

- **PAPER APPOINTMENT:** You will have a scheduled date/time for your appointment, but you will not be here for it. Your tax preparer will work on your taxes at the scheduled time, and be in touch with you when your taxes are done or if you have homework items.
- **VIDEO CONFERENCE:** Your appointment will be conducted via a video conference via Skype or Facebook Messenger Video calling. If you want to have your appointment this way, you will need to have a webcam with microphone and download the Skype app or be on Facebook.

WE WILL NOT BE OFFERING CONFERENCES VIA ZOOM AS THERE ARE A NUMBER OF QUESTIONS CONCERNING SECURITY.

PLEASE NOTE: Karl will not be offering video conferencing.

- **PHONE APPOINTMENT:** Your preparer will call you at the start of your appointment to interview you. They **may** stay on the phone with you while working on your return.
- **DROP OFF/MAIL IN:** With this scenario, you would get your tax documents to us but do not have an appointment. In this situation, there is no time frame for your taxes to be completed. This is probably the least attractive option.
- With any of the above options, it will be your responsibility to get all of your documents (including our required engagement documents) to us no later than **one week before** your appointment. This allows us to have the time to sanitize your documents, review them to be sure you have provided all the required engagement documents and scan them into our system.

When you call to confirm your appointment, please let us know which appointment format you would like.

Again, this was not an easy decision for us, and we realize that it is not an ideal situation for you. We ask that you be patient with us as we are doing the best we can under difficult circumstances.

GETTING YOUR DOCUMENTS TO US:

So, how do you get your document to us in a timely fashion?

You can:

- Mail your documents to us. We do recommend that you make copies of what you send to us;
- email them to cheryl@pyestax.com;
- drop them off at our office. During business hours, if the sign says OPEN, then the door will be unlocked and you can drop your package into the blue bin inside the front door;
- if we are closed, leave your package in the secure lock box to the left of our front door.

APPOINTMENT POSTCARDS

Postcards will be going out before the end of the year. Even though we have changed our appointment format for the 2021 tax season, it is still critical that you call to confirm your appointment so we can go over what you will need to do to prepare for it.

PROOF OF RESIDENCY

If you have children or a qualified dependent that are on your tax return, we must have proof of residency for each dependent. The IRS will accept current letters on official letterhead from schools, medical providers, social service agencies, or places of worship that show the name of the child's parent or guardian, the child's address and the dates the child lived with you. Please note birth certificates **are not** proof of residency.

Proof of residency must have:

- Child's name;
- Physical address;
- At least one parent's name;
- The tax year **2020 MUST** be on the

If we file a return that has any type of credit related to a child or qualified dependent, and we have not obtained written verification, we are subject to a \$520 fine PER CREDIT, which in some cases could mean \$2,080 per return

WHY IS THE IRS CONTACTING ME?

The IRS sends notices and letters for the following reasons:

- You have a balance due;
- You are due a larger or smaller refund;
- They have a question about your tax return;
- They need to verify your identity;
- They need additional information to finalize your return;
- They made a change to your return
- They need to notify you about a delay in processing your return.

How do they contact you? By letter. They never initiate contact with a phone call, or an email. They will only ever send you written correspondence; if you are married you very likely will each receive a copy of the letter.

If you receive a letter and need help please call us. If the IRS contacts you and you need to respond, please be sure to note that there is a date to respond by. Do not wait until the end to call us.

SOCIAL SECURITY

Did you know you can set up an online account with the Social Security Administration? Just visit www.ssa.gov click on Sign In/Up, then select my Social Security and follow the prompts. If you have misplaced your SSA-1099, or did not receive a copy before your tax appointment, you can get a copy on the website.

If you are unable to set up an online account, you can contact your local office. There are three offices in Maine: Auburn: 833-388-6432, Augusta: 866-882-5422 and Portland: 877-319-3076.

Paycheck Protection Program

If you own a business and obtained a PPP loan, please be sure to provide information concerning the loan for your appointment.

PREPPING FOR YOUR TAX APPOINTMENT

There are several things that are important for you to know and understand in order to have the best tax experience.

To start, we will need the following information for your appointment:

- Up-to-date bank information (account number, account type, routing number, and bank name)
- A list of your non-cash contributions with the dollar amounts tallied and all math done (if itemizing), as well as all other donations. Don't forget your receipts!
- Completed Client Information Sheet, checklists and engagement documents (also on our website)
- All tax- and income-related mail, opened and unfolded
- Proof of any new dependents
- If you claim the Earned Income Credit, Additional Child Tax Credit, or Education Credit or Head of Household: proof of the dependent's residency (a document with the parents' names, dependents' names, and the address) and our completed EIC Questionnaire
- **NEW FOR 2020:** The Cares Act added a new \$300 charitable contribution for non-itemizers. This is only for **MONETARY** contributions paid by cash, check or credit card. If the donations were in cash, you must have a signed receipt.

If you provide these materials and other necessary information, then we should be able to finish your tax return at the time of your appointment. Then the return goes through our checking process.

This means the return moves from your preparer to the Pye's staff. The staff then scans and assembles your tax packet, checks and double-checks the return, and files it with the IRS and the State of Maine. Once the return is accepted by both agencies, we will mail your packet to you.

However, if you do not get us all of your information by the time of your appointment, you will have homework. When you have homework, the process changes.

Because our schedules are densely packed from the beginning of tax season to the end, we cannot finish your return as soon as you bring us your homework.

Instead, when you bring us your homework, it goes to the bottom of the pile of other clients' completed homework. These returns are then worked on when the preparer has some spare time in between appointments.

This means that even if you have an appointment Monday morning and you bring us your homework Monday afternoon, your preparer cannot work on your return again right away. Instead, they will get to it after they finish the returns of the clients who got their homework in the hour before, or the day before, or the week before, etc.

We understand that this can be frustrating, but it is unfair for us to drop a return from a client who was prepared in order to finish a return from a client who wasn't. And it's impossible for us to give anyone a second appointment because the season is just too busy. So, you can see how important it is for you to come to your tax appointment as prepared as possible.

We appreciate your understanding.

HOW TO AVOID HOMEWORK

No one likes it – not our kids, not you, and definitely not us. As noted above, our schedules are pretty crazy, and trying to find the time to finish a return that had homework can be difficult to say the least. So, how can you avoid homework?

- Review and answer all of the questions on your Check Off Lists!
- Look at last year's tax return – all of the documents used to create your return are on the left-hand side of your tax packet. Most things remain constant from year to year. Make sure you have all of these items. If you are missing something, contact the appropriate party to get another copy.
- If you had homework last year, look at the homework sheet you were given (this could be behind your tax return on the right-hand side of the tax packet. Helpful hint: Your homework is on a green sheet of paper). Make sure you have whatever you missed last year.

Remember, the better prepared you are, the faster your return will be completed!



FUN STUFF WE DID IN 2020



CONTEST WINNERS

Email Alert Contest: Chris & Penny Faulkingham; Tom & Verna Jones; Dennis & Joanne Wheeler

Prescheduled Appointment Contest: Susan Chandler; Robert Wood; Gail Theberge; Richard Hathaway; Shawn Davis

Confirm Your Appointment Contest: Cliff Hooper; Miles & Linda Ferguson; Joshua & Claire Smith

Congratulations to all the winners!

Do you want to get in on the fun? It's easy – just preschedule your appointment for next year, call us to confirm your appointment by the deadline noted in the newsletter and sign up for our email alerts on our website at www.pyestax.com.

CONTEST DEADLINES

Sign up for our email alerts on our website (www.pyestax.com) by April 15th and be entered into a drawing for a \$50 credit—up to three winners.

Prescheduled Appointment Contest: 5 prizes of \$15 credit each. Deadline is **Friday, January 17th**.

Confirm Your Appointment Contest: Call and confirm your tax appointment by **Friday, January 17th** and be entered into a drawing for three separate \$30 credits.

As always, if you refer a new client to us, you will receive a \$10 **credit memo**.

DID YOU KNOW?

Holly is a licensed advisor with Avantax (formerly known as H.D. Vest). She can help you with financial planning, retirement planning or general investing for your future. If you need assistance in this area, please give us a call to schedule an appointment. Typically, your tax appointment does not have sufficient time to get into great detail about investments, so it is best to schedule an appointment.



Thank you for calling H & R Pye's

If it seems like we mention this every year, well, we do. Just a reminder: when you call the office, **PLEASE leave a message**. Hanging up and calling back immediately and repeatedly is quite frankly, distressing. Please leave a voice mail with your name, phone number, and your questions. We can then try to have the answer for you prior to our calling you back. Or, if you'd prefer, you can email your questions to either cheryl@pyestax.com or linda@pyestax.com.

We appreciate your cooperation.

2021 PRICING

As a reminder, our billing is on a per form basis. We will not be increasing our form prices for tax year 2020. As noted on page 3, we will be mailing tax packets to you upon completion of your tax filing. There will be a flat fee charged to all returns to cover postage and processing of the packets.

DEADLINES

The deadline for filing taxes this year is **April 15th**.

If for some reason you need to go on extension please call us before April 12th to request the extension. Also, as a reminder, failure to submit your homework in a timely manner could result in your being placed on extension.

If we have not received your tax documents by **June 1st**; you will be subject to **an additional fee of \$150.00**. That fee will apply if your tax appointment is after June 1st or if we do not receive your tax documentation by June 1st (for those of you who mail or drop off your taxes) or if we do not receive your homework in by June 1st.

We want to be clear WE DO NOT WANT TO CHARGE YOU this \$150 additional fee. Our hope in implementing this fee is that it will encourage everyone to get their taxes finished earlier in the year, so we can better provide our services to all our clients. Finally, it is our intention to have all tax returns filed and accepted by the governmental agencies no later than September 1st. Please plan accordingly.

AREA RESOURCES

2020 has wreaked havoc in so many areas of our lives. If you are experiencing difficulties – be it financial, emotional, food insecurity, etc, there are many services available to offer assistance. Here are a few:

- CEI: housing counseling services to avoid foreclosure: 207-504-5900;
- Tedford Housing 14 Middle Street, Brunswick 207-729-1161; New Hope for Women 12 Court Street, Bath 207-443-8898
- Food Banks: Bath Area Food Bank 807 Middle Street, Bath; Mid Coast Hunger Prevention Food Pantry 12 Tenney Way, Brunswick
- Bath Counseling Center, 141 Front Street, Bath; 207-443-6950

We do not make any recommendations to these organizations but offer their information as a resource for you.

HOMESTEAD EXEMPTION

Don't forget to check with your town office to make sure you are receiving the homestead exemption for your property taxes. If you are a Veteran over the age of 62 (thank you for your service) you may be eligible for an additional exemption. Application deadline is April 1st.

FINAL THOUGHTS

This past year has certainly been one to remember. We started out 2020 so happy, looking forward to a great year. Then devastation reached our shores.

Whether you believe the pandemic is real or a hoax, we have all been touched by Covid-19 in some capacity. We have been lucky in that we ourselves have not become sick, but we do have people in our lives who have, as we're sure many of you have loved ones who have had to cope with the virus in one way or another as well.

If you have lost a friend or a loved one this past year, whether due to COVID-19 or some other reason, you are in our thoughts and prayers. May their memory be a blessing.

We close out 2020 with the fervent hope that our leaders can find a way out of this crisis, and that we can return to some sort of normalcy in 2021.

No matter how you celebrate, we wish you peace and joy throughout the holiday season.

Joyeuses Fêtes!

Laethanta saoire

Treulich Helg!

Καλές Δικακο ές

Masaya pista opisiyal

Felices Fiestas!

Buone Feste!

Happy Holidays!

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E-Mail:
cheryl@pyestax.com

**Don't pass the Pye's by or your
taxes may be too high!**

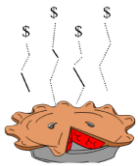
**See page 5 for details on how you can avoid paying more for
your tax preparation!**

Go to www.pyestax.com for more information and to print all the
documents you need to sign and bring to your appointment.

We're on the Web!

Visit us at:

www.pyestax.com



This newsletter contains our holiday greeting to you as well as important information concerning the ongoing Pandemic, **changes to your 2021 tax appointment**, as well as our usual helpful stuff.

😊 Please read it! There will be a quiz! 😊