

With tax deadline extended, CPAs talk pros and cons

By JULIANNE MOSHER

The U.S. Treasury Department and Internal Revenue Service announced last week that the federal income 2020 tax filing due date for individuals is extended from April 15 to May 17.

This postponed all federal individual income tax returns, as well as payments of balances, without interest and penalties, regardless of the amount owed.

According to the Treasury Department, taxpayers do not need to file any forms or contact the IRS to qualify for this postponement relief.

"I think one of the main reasons they did that is because there's a little bit of uncertainty in the tax law as a form of catching up," said Jill Schneider, a tax director on the private business services team at EisnerAmper LLP. "So, it actually relieves a little bit of stress for us, because we can take that focus and give clients what they need. We can take a step back and focus on things that are very important to a lot of our businesses, especially for ones that are hurting."

Schneider said the extra month gives her firm more time to focus on the businesses who may need a little more help.

"We have a little bit more leeway to work with our clients who are really struggling," she said.

The extension does not apply to several filings and payments due April 15, including April 15, 2021 1st Quarter 2021 Estimated Tax Payments Form 1041, U.S. Income tax return for Estates and Trusts Form 1120, U.S. Corporation income tax returns Fiscal year income

tax returns and other informational forms due that date.

New York this week extended the due date for personal income tax returns and related payments originally due on April 15 to May 17 to coincide with the federal decision.

While Schneider said this could be good to her clients, Amy Joyce, a tax partner with Berdon's Trusts and Estate Practice, said that there are some issues with the extension — similar to what CPAs saw last year.

"This is a little bit reminiscent of what happened last year when the IRS extended a deadline," she said. "And then it took a really long time, and it was kind of piecemeal, where other deadlines started to fall into conformity."

Joyce said that ultimately, the other deadlines didn't all follow the same track.

"The good news is for this year, if you're a person that owes a lot of tax, you have an extra month to pay — so that's a plus," she said. "But it's very problematic,



JILL SCHNEIDER



ROBERT SPIELMAN

because at the moment, it's only applies to one type of return — the individual income tax return."

She added that can cause problems.

"On the individual side, one of the big issues is that your 2021 first quarter estimate, which is due at the same time as your 2020 return, hasn't been moved, and we don't have a reason to believe that it will be moved," she said. "It kind of forces clients and accountants like

See EXTENSION, Page 20

Ceschini

ACCOUNTING ▾ TAX ▲ ADVISORY

Accountants and Profitability Consultants to the Construction and Real Estate Industries

- ▲ Accounting, Tax & Advisory
- ▲ Tax Planning & Minimization Strategies
- ▲ Joint Venture Consulting
- ▲ Benefits & Compensation Plans
- ▲ Merger & Acquisition Due Diligence
- ▲ Strategic Planning & Profit Enhanced Studies
- ▲ Like-Kind Exchanges
- ▲ Cost Segregation Studies



Michael Ceschini
CPA, CCIFP, CM&AA
Managing Member
877.474.3747
ceschinipllc.com

Business-Wise AccountingSM

LIFOCUS

Tax delay has pros, cons

EXTENSION, From Page 18

us to keep the April 15th deadline as if it's still there. Because we need to know what 2020 looks like before we can try to figure out what 2021 looks like."

Joyce said it's hard for accountants and firms to adhere to new deadlines and rules, especially when it was dropped in their laps in the middle of tax season.

She said that she expects another release to come out within the next week or two adding different guidelines, similarly to what they did last year.

"[The deadline] is not helpful with corporations, for instance," Joyce said. "But it's also not helpful with other entities that pay income tax ... I can imagine that the IRS didn't move this deadline to help out the super-rich, I get that. They moved it, I think, because of just the difficulty of people having the requisite paperwork together while still dealing with this pandemic. But it seems to be like an incomplete solution."

Tax partner at Marcum LLP Robert Spielman said that he and most practitioners seem pleased with the extension, saying it helps give the clients the best experience.

"It's not an easy time for practitioners,"

he said. "And if it's not an easy time for practitioners, that means that they can't provide the quality of service that they hope to provide to their customers."

He said that larger practices on Long Island usually see a "great percentage of taxpayer clients going on extension."

"Most of our clients do not have all the necessary information," he added. "And if we don't have it in time in any event, to get a return done, we can review and have confidence in and can properly review with the taxpayer."

CPA and managing member of Ceschini CPAs Michael Ceschini said that like most firms on Long Island, this is just business as usual.

"We're aiming to get everybody done by April 15," he said. "We don't want to extend tax season. We'd rather just put our nose to the grindstone, for lack of better words, and just get it done."

But Ceschini said if people are considering reporting alternatives, the extra time allows them to get professional advice.

"I would say that clients should assess their own unique specific situations," he said. "And they can use this extra time to kind of gather records."



MICHAEL CESCHINI



AMY JOYCE

'ON THE INDIVIDUAL SIDE, ONE OF THE BIG ISSUES IS THAT YOUR 2021 FIRST QUARTER ESTIMATE, WHICH IS DUE AT THE SAME TIME AS YOUR 2020 RETURN, HASN'T BEEN MOVED...'

INVESTING IN YOU. SUCCEEDING TOGETHER.

LOOKING TO ACQUIRE OR THINKING ABOUT AN EXIT?

Prepare your company to properly transact by working with the firm that was named the 2020 Accounting and Due Diligence Firm of the Year by The M&A Advisor

UHY LLP
Certified Public Accountants

FOLLOW US



@UHYAdvisorsNY

58 S. SERVICE ROAD, SUITE 115 | MELVILLE, NY 11747
CALL 631-430-6200 OR VISIT WWW.UHY-US.COM