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Dear Client:

Well, where to begin! So much has happened in the last year. The IRS has just announced that e-filing will be opened on Feb 12. This is later than usual since they had to reprogram the Rebate Recovery Credit and some other things because congress changed the rules again with short notice. We will still be ready to go by January 25^h, and we will be able to hold returns for e-filing until the IRS opens. Once again, returns with Earned Income Credit, Child Tax Credit, and Education Credits will not be processed by the IRS until the middle of February, so Federal refunds for those returns will not be issued until the end of February.

In the age of COVID, we are still willing to see clients in person, but we do want to encourage people to simply drop off their materials and let us prepare the return without you. We will call you for additional information needed and to go over your return with you. We do not have video equipment on our computers, so we can not do zoom type calls. We do have the ability to accept your materials electronically through our secure portal. Call an office to see about getting those set up for you. If you do want an in-person appointment, you can schedule your appointment online at gothamtax.com, or call your local office to have someone set it up for you. We are taking precautions in our offices, but please be aware that in-person appointments will by their very nature, increase the chance of either getting or giving the COVID virus. We want everyone, including ourselves to be safe and healthy.

Of course there have been changes to the tax code, including the new Rebate Recovery Credit. This is the actual credit that you may have received the advance money for last spring or summer, and now just recently, often referred to as the stimulus check or the Economic Impact Payment (EIP). You will need to be able to tell how much you received, or if you did not receive one. There have also been many other changes, including adjustments to retirement distributions, and a small (\$300 per return) cash charitable donation that is deductible without itemizing deductions. For businesses, it appears that when all is said and done, the PPP loans that have been forgiven, or you expect to have forgiven will not be taxable, and all of the normal expenses will be deductible from business income. Other COVID relief grants may or may not be taxable. There have also been changes to some depreciation rules, so we may need to look at some of those. Minnesota has not had a chance to make adjustments to their tax code, so at this time, the PPP Loan forgiveness will still be taxable to Minnesota. If you received a PPP Loan or other business COVID relief, we recommend waiting to file your return until these issues have been sorted out. We will be happy for file an extension for you on your request, but we do not file extension automatically.

None of the offices have moved this year, but I am adding three offices. I have purchased another practice with offices in the Nokomis neighborhood of South Minneapolis, and on the East side of St Paul, near the Sun Ray shopping Center. I am also opening a new office in Golden Valley, so you may go to whichever office is most convenient to you. Jeff will be moving to the S Mpls office and Evans is moving to the Inver Grove for now, but everyone else is staying where they were. New staff has also been hired for the offices. Office hours will vary by location, but generally we are open from 9 to 9 Monday through Friday, and 9 to 5 on Saturdays.

I do not plan to raise my prices this year, but please be aware that the Recovery Rebate Credit may require a new form or a worksheet, so there will be a small additional charge for that item. Other COVID relief measures will also have some additional reporting requirements.

Visit our [website](http://www.gothamtax.com) or give us a call now to schedule your appointment. Phone numbers are at the top of the letterhead. As always, we appreciate your referrals. We would invite you to find us on Google and give us a review. I hope that you have had a good year, and we are looking forward to serving you again this year.

Sincerely,
Steven J Gotham
Gotham Tax Service, LLC

IMPORTANT!

The security of your personal information is extremely important to you, and it is for us as well. Gotham Tax Service has adopted a “no click policy” which means that we will not open attachments in emails. If you wish to send us forms electronically, you will need to send it through our client portal, which is secure, or fax it to us. If you want to use the portal, please call or email for an invitation. If you need a form sent to you electronically, the same procedure will apply. While we understand that this may cause some inconvenience, it is considered the best practice in the tax preparation business today, and it is meant to keep your identity safe, and attachments to emails are the largest source of identity theft. Most of you will still be bringing your information to your appointment, which remains our preference.

Since few people actually signed the engagement letters, they are not being mailed, but will be available in the offices. There will also be a short questionnaire/checklist to be filled out prior to your appointment. This is intended to help us update your personal information and go through the tax return more efficiently.

You can feel free to send us an email with any information (but no attachments) and know that it is secure but remember that while anything you send will be secure in our possession, if your email is a free email account, we can't be certain that your side will be secure.

Reminders:

- If you purchased, refinanced or sold your home or other property in 2020, bring in your closing papers.
- If you or your dependents were enrolled in college courses in 2020, bring in your 1098T. Ensure that the student gets a copy of this to you if the student is your dependent, as they are the only one that can access this form.
- If you made any charitable contributions, remember to bring all the acknowledgements, or alternatively a summary of your donations, with estimated values for donated goods.
- We continue to have problems with Dependent Children filing their own returns and claiming themselves. This will result in issues filing your own return claiming them, so PLEASE do not let them file before you do. We file Dependent returns for only \$50. We charge much more to Amend those returns.
- Business and rental returns are required to provide their own accounting of their business income and expenses, including mileage logs or records. Please come prepared with your profit/loss statements.

Privacy Policy

We collect nonpublic information about you from the following sources:

- 1) Information we receive from you on applications, worksheets and other forms,
- 2) Information about your transactions with us, our affiliates or others, and
- 3) Information we receive from a consumer reporting agency.

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as required by law.

We restrict access to nonpublic personal information about you to those members of our firm who need to know that information in order to provide services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.