



January 15, 2021

Greetings and Happy 2020 Tax Season,

...and what a year it was. While so very much can be said about 2020, by now you've all probably had enough and want to move on with your lives. We do, too. Instead of focusing too much on the past year, this document is intended to provide you with a roadmap to the upcoming tax filing season. You will find links to various web pages and worksheets, more details about our policies and procedures, and other helpful information for new and long-time clients, alike. We look forward to our continued partnership with you all.

Company & Personnel Updates

We welcome new team members Marie Poole, Maria Robinson, Sakshi Makani, Max Cupler, and Paul Jandl. [Here is a link to our current team](#), and more website updates pending. Marie is our senior tax manager, to oversee our tax department and growing tax staff. Maria will be supporting our business accounting clients, and Sakshi, Max, and Paul are joining us as tax preparers.

We also appreciate the patience you have afforded to us as we stabilize our growth, strengthen our foundations, and streamline our processes. Internal growing pains aside, the last few tax filing seasons have been a significant challenge for our industry, with numerous changes to the tax code, deadline changes, and significant economic uncertainty.

We are rolling out a new firm management platform, [Karbon](#), which will serve as our CRM and task management program. One of the nice features of Karbon is that it can send clients checklists to assist with gathering information, as well as providing a real-time messaging application with our team. As a result, some emails or lists may look differently than they have in the past, just so you are aware.

For those of you who may have moved or have new contact information, please alert our office or note when providing your information for 2020. If you have decided to self-prepare your tax return or otherwise do not require our services for the upcoming filing season, please let us know as soon as possible.

Tax Organizers and Engagement Letters

Each year we provide you with tax organizers and supplemental resources of various formats, along with our updated Engagement Letter and Fee Agreement. These documents are intended to aid in the assembly of your tax information, provide a reference to what was reported on your prior year return, and outline the policies and procedures for our tax services.



First and foremost, below are links to our updated *Individual Income Tax Engagement Letter* for 2020.

- [DocuSign version](#)
- [PDF version](#)

Please review, sign, and return as applicable. This indicates that you agree to our policies and intend for us to prepare your tax return for the 2020 tax year. If you have any questions prior to completing, please contact our office at (206-420-2246) or send an email to taxes@ranta-cpa.com.

Our updated *Billing and Fee Agreement* may be found on our website, via the link below:

- [Billing and Fee Agreement](#)

Your *2020 Tax Organizer* will be uploaded to your folder on our [ShareFile client portal](#), to your 2020 Documents folder. *Please contact our office if you need assistance with our portal.*

Alternatively, we provide online form versions of our *Tax Organizer*. These address the ‘Yes/No’ questions found on the first few pages of your traditional organizer. *Given the multitude of new tax credits, stimulus payments, and other changes to the tax code, it is very important that you complete your tax organizers this year for an efficient “interview” process.*

- [COVID-19 tax questionnaire](#)
- [Online organizer \(‘yes/no’ questions\)](#)

Please complete both questionnaires above, if possible, to help ensure that your return is accurate and complete.

We have also updated the contents of our public [Google Drive Folder](#), which includes form templates for small businesses (Schedule C), rental properties (Schedule E), among other items you may find useful.

Please note that we will still need copies of original source documents even if you complete the organizer, either on paper or digitally. Please do not spend hours entering each point of data from the source documents into the organizer. For investments (Schedules B and D) please just include Forms 1099 from your brokerage accounts.

If you would prefer to receive your traditional Tax Organizer through a different medium, please call our office (206-420-2246) or send an email to taxes@ranta-cpa.com.

We encourage you to complete at least one form of our Tax Organizer, as it helps us verify the completeness of your return and supporting documentation.



1099s and Year End Compliance

If you need assistance with your year-end payroll filings, state/local tax reports, and other business obligations, please contact us as soon as possible. The deadline for most of these reports and forms is February 1st.

Paycheck Protection Program (PPP) Loans

Many of you have engaged with us to assist in obtaining PPP loans, and/or assistance with the forgiveness applications. The SBA has released a (new) simplified forgiveness application for loans under \$150,000, and we would recommend all businesses that qualify to use this form. Please also note that your bank or lender should be providing you with an online form or portal to both obtain the loans as well as file the forgiveness application -- we are generally not able to provide this for you.

The second round of PPP loans has been opened, and please let us know if you require assistance or have questions.

IRS Update

It is worth mentioning that the IRS also had a difficult 2020. Due to COVID-19 furloughs, it was publicized that IRS mailroom employees arrived back to work in the summer with over 5 million document parcels to process (hot gossip in the tax accounting industry). As of December 2020, there were still over 1 million unopened tax returns mailed to the IRS ([unofficial source](#)), with likely many more millions of general mail and correspondence yet to be processed. *To make matters worse, the IRS computers have been sending out notices to taxpayers that do not reflect recent correspondence or filings, due to the mailroom back-up.*

The IRS has faced two government shutdowns in two years, and due to the most recent stimulus bill and the number of tax code changes within it, e-filing is not available until February 12th, 2021. This means that we can draft your return now, but we are unable to e-file it until the e-filing system is reopened.

Your (continued) patience is appreciated!

Document Sharing & Transmission

Given the myriad of cloud storage options available, we recommend our [ShareFile client portal](#) as our preferred method of electronic document sharing. Using ShareFile helps reduce physical contact and COVID transmission, and also ensures our staff can view and download documents as soon as they are provided.



While we are hoping to shift document sharing to ShareFile, if you continue to use Google Drive, Dropbox, or password-protected email to send us documents, please be sure to include taxes@ranta-cpa.com on the new emails or folders. Please then also alert us with an email when the contents are updated. This will ensure that our administrative staff will be able to assist throughout the drafting process. *Using personal or proprietary portals for document sharing with only our partners often means that our admin staff cannot view or otherwise access your files, increasing the chance that something gets overlooked.*

For Business or Other Entity Tax Clients

For those of you that own businesses, manage a not-for-profit, and/or oversee an estate or trust, please note that we have published a new document for 2020-2021, our [*Bookkeeping & Accounting Expectations for Tax Entities*](#). We prepared this document because we are often asked what types of documents we need to prepare a business (or other entity) tax return, and how clients can keep our fees to a minimum and allow us to work more efficiently.

If you have ‘taken the plunge’ and formed a new business or organization, it is very important to be conscious of the legal, tax, and accounting requirements for your entity, so that there are fewer surprises when we get to tax season. *It is very difficult for us to complete business tax returns by the initial March/April return due dates if the annual accounting is not complete (or started) by February, due to the amount of dialogue and questions there are when reviewing twelve months of transactions.*

Timeline for Tax Season

The initial due date for individual, corporate, and calendar year-end estate and trust tax returns is **April 15, 2021**. The due date for pass-through entities (partnerships and S-Corporations) is **March 15, 2021**.

We recommend that you provide us with as much of your tax information as possible by **March 1, 2021**. By this date you should have received all W-2s, 1099s, and other standard tax documents. We will plan on extending your return if your documentation is not received by **March 15, 2021**. This ensures we have time to properly review your information and file accurate returns.

For those of you with late K-1s, complex tax returns, vacation plans for the spring, or general disdain for gathering your tax documents, we are happy to help with your extension. We do appreciate some summer work.

Please see our [Frequently Asked Questions During Tax Season](#) for more information on our process during Tax Season, extensions, and other common topics.



RANTA CPA + ASSOCIATES

In closing, we thank you all for your continued partnership with our firm, and we look forward to working with you all this upcoming year. Please complete our engagement letter as soon as possible, and let us know if you have any questions as you begin to gather your tax documents.

Sincerely,

Tiffany Ranta, Victor Szmania, and Team
Ranta CPA + Associates

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