On March 27, 2020, the President signed the Coronavirus Aid Relief and Economic Security Act, (CARES Act). The Act contains $2 Trillion of aid to both businesses and individuals. Below, we outline, in general terms, the tax provisions that will impact most of our clients and friends.

INDIVIDUAL TAX PROVISIONS

1. Individual recovery rebate
   - Provides for an income tax rebate for eligible taxpayers to the sum of $1,200 for single taxpayers or up to $2,400 for married taxpayers plus an additional $500 for qualifying child of the taxpayer.
   - The rebate is determined on adjusted gross income as reported on taxpayer’s 2019 tax return if filed, otherwise 2018 return will be used
     a. Single Taxpayers: Adjusted gross income up to $75,000 receive the full $1,200 rebate
     b. Joint Taxpayers: Adjusted gross income up to $150,000 will receive the full $2,400 rebate
     c. Head of Household Taxpayers: Adjusted gross income up to $112,500 the will receive full $1,200 rebate
     d. Qualifying Children: An additional $500 for each qualifying child who is under age 17
   - Timing and Method of Payment
     a. IRS has been directed to make payment as soon as possible
        i. It is estimated these amounts will be issued in the next 3 weeks
     b. Payment may be deposited into bank account identified on 2018 or 2019 tax return
     c. IRS will mail a notice to the last known address of the taxpayer
        i. No later than 15 days after distributing payment
        ii. indicating how payment was made
        iii. amount of payment
        iv. phone number to report any failure to receive payment
     d. Remember IRS will not contact you via phone, text or e-mail, never provide your social security number or bank information over the phone

2. Required Minimum Distribution from retirement plans not required for 2020
3. Temporary waiver of early withdrawal penalties for certain distributions from qualified retirement plans
   - Waiver of the 10% penalty on early withdrawals from qualified retirement plans
     a. Applies to distributions up to $100,000 for COVID-19 related purposes
     b. Income tax on distribution can be spread over 3-year period of time
   - Eligible COVID-19 related purposes for an individual:
     a. Who is diagnosed with COVID-19
     b. Whose spouse or dependent is diagnosed with COVID-19
     c. Who experiences adverse financial consequences as a result of being quarantined, furloughed, laid off, reduced hours, unable to work due to lack of child care due to COVID-19 or other factors as determined by the Treasury
   - Note: The provision applies to distributions made on or after January 1, 2020.

4. Unemployment Insurance Provision
   - Additional unemployment benefits up to $600
   - Unemployed workers impacted by COVID-19 pandemic
   - Pays the additional benefit through July 2020
   - Now includes self-employed individuals
   - Administered through state’s unemployment agency

5. Changes to charitable contribution deduction
   - Taxpayers claiming standard deduction:
     a. Up to $300 of qualified charitable contributions made in 2020.
   - Taxpayers claiming itemized deduction:
     a. Charitable deduction limitation: 100% of their adjusted gross income.

Ohio and Ohio Municipalities Tax Filing Deadline
Governor DeWine signed House Bill 197 on March 27th which moved the State of Ohio and Ohio Municipalities tax return filing deadline from April 15th to July 15th.

The filing extension applies to Ohio individual income tax, Ohio school district income tax and pass-through entity tax.

Individuals, estates, trusts and certain businesses making quarterly estimates have also been granted additional time to file and pay without penalty and interest. Both the first and second quarterly payments are extended to July 15th.
Disclaimer: the information contained in this document outline the general provisions provided by the Act. We expect additional guidance to be provided in the coming days and weeks