



# Anderson, Nill & Associates, Inc.

December 2020



**Jennifer Anderson • President/CEO**

Jennifer has led this growing team since September 2012. She holds a Bachelor's Degree in Accounting and is a licensed Enrolled Agent with the IRS. When not at the office, Jennifer enjoys quiet-morning coffee while reading the latest news, as well as puzzles, board games and time with her family.



**Roxanne Oakley • Senior Bookkeeper**

Roxanne is celebrating her 25th year with us! Her experience includes bookkeeping for service, retail and non-profit industries, and tax preparation for all types of entities. Roxanne is a licensed Enrolled Agent with the IRS. She is working to become certified in American Sign Language.



**Meet  
the  
Team**



**Courtney Gourneau • Bookkeeper**

Courtney has been part of our team since 2014. She serves bookkeeping clients in a variety of industries and is also a licensed Enrolled Agent with the IRS. She loves reading, creating things with her son, doing puzzles and recently began playing piano again as her socially-distanced pastimes.



**Aaron Spangenberg • Bookkeeper**

Aaron became a member of our team in June 2019 and has been developing his bookkeeping client base. He is pursuing his Enrolled Agent license and will be assisting with tax preparation this tax season. As an outdoorsman, Aaron likes hunting and fishing. He also enjoys photography.



**Chasidy McCarty • Bookkeeper**

Chasidy joined our team in February 2020 as backup to support staff and data entry. She continues to expand her bookkeeping knowledge, and is excited to take on her own client base. She enjoys crafting, puzzles, traveling, spending time with family and rooting for the Green Bay Packers.



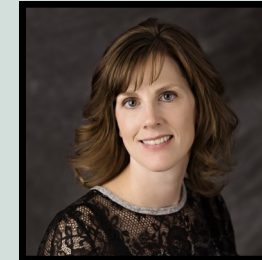
**David Guild • Bookkeeper**

David joined our team in September 2020. He is expanding his bookkeeping knowledge and is pursuing his Enrolled Agent license. In his free time, David likes to golf, read, and cheer on the Green Bay Packers and OU Sooners.



**Dori Sherwood • Office Manager**

Dori is the newest addition, joining us in October 2020. She is the welcoming face at the front desk and the friendly voice you hear on the phone. She has proven to be a fabulous team member. Dori is a motorcycle enthusiast and loves spending time with her four granddaughters.



**Carrie Harer • Executive Assistant**

Carrie became part of our team in January 2019. She carries out a variety of duties to complete special projects. Carrie enjoys gardening, crafting, time at the river and playing in the dirt with her two boys.



**Monte Carda • Senior Tax Analyst**

After 26 years with the firm, Monte retired on April 30. His forte was income taxes in all forms and he was the office expert in tax laws. His Monteisms will be missed!

## ***Congrats Retirees!***

This year we wished Monte and Kathy well on their new endeavors as they headed into retirement.

We were sad to see them leave but happy to know they were embarking on well deserved new chapters of their lives.

We thank them both for their hard work and dedication to Anderson, Nill and Associates, Inc.!



**Kathy Garber • Office Manager**

Kathy was part of our team for two years, retiring on October 30. She kept our office running smoothly with a smile on her face, no matter how busy it was!

## **Did you receive a PPP loan?**

For most, it will be forgiven.

Many small businesses impacted by the coronavirus pandemic were eligible to apply for a loan through the Payroll Protection Program (PPP). These loans were essential for helping to keep employees working and businesses open.

In general, 100% of the loan can be forgiven—if you meet certain criteria. You'll need to complete a PPP loan forgiveness application form and submit it to your lender. You can obtain the necessary form (Form 3508 or Form 3508-EZ) from the Small Business Administration at [sba.gov](https://www.sba.gov). These forms must be filed to your lender no later than 10 months after the 24-week covered period.

**We strongly encourage filing by Dec. 31, 2020.**

## **Economic impact payments**

How will they affect your 2020 return?

As part of the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act), the IRS made economic impact payments (EIPs) to certain taxpayers. The eligibility for and the amount of an EIP generally depended on the taxpayer's 2019 federal income tax return. If one wasn't filed at the time of eligibility, the IRS used the taxpayer's 2018 federal income tax return. If you received an EIP, the IRS mailed a Notice 1444 to your last known address. That form shows the amount of your EIP. Keep this notice with your tax records.

The EIP is considered an advance credit against your 2020 tax. You are not required to include the payment in taxable income on your 2020 tax return or pay income tax on the payment. When you file your 2020 federal income tax return next year, the EIP will not reduce your refund or increase the amount of tax you owe.

If the EIP was based on your 2018 tax return and your circumstances changed in 2019, you may claim any additional credit for which you are eligible on your 2020 return. This may occur, for example, if you had a child or if your income was lower in 2019. Conversely, if your payment was based on your 2018 return and circumstances changed so that you would have received a smaller amount based on your 2019 return, you are not required to repay the excess or reduce your 2020 refund.

## Did you know...

- Individuals will be able to claim a \$300 above-the-line deduction for cash contributions made to public charities in 2020. This rule effectively allows a limited charitable deduction to any taxpayer claiming the standard deduction. For this deduction, married taxpayers who file a joint return are considered one taxpayer and are limited to \$300.
- During 2020, many employees were sheltering in place and forced to work from home. The current rules for deducting home office expenses do not apply to employees since deductions for employee business expenses have been suspended until 2026.
- The state minimum wage will increase from \$9.30/hour to \$9.45/hour for hours worked starting on Jan. 1, 2021. The minimum wage is annually adjusted by any increase in the cost of living, as measured in the Consumer Price Index published by the US DOL. This year's increase was 1.3% and is rounded up to the nearest 5 cents. The hourly minimum wage for tipped employees will be \$4.725/hour, half the minimum wage for non-tipped employees. Wages and tips combined must equal at least the minimum wage.

## Earning money from a side job?

### Tips for avoiding the hobby loss rules

Like many of us, you've probably dreamed of turning a hobby or pastime into a regular business. Or perhaps the current economic condition necessitated that you turn to a side job to earn extra money. You won't have any unusual tax headaches if your new business is profitable. However, if you consistently generate losses, the IRS may step in and say it's a hobby—an activity not engaged in for profit—rather than a business.

Under the hobby loss rules, you can claim certain deductions, such as state and local property taxes. Your deductions for business-type expenses such as rent or advertising from the activity are limited to your gross income, however. Furthermore, deductible hobby expenses must be taken on Schedule A of Form 1040 as miscellaneous itemized deductions subject to 2% of your adjusted gross income. Since miscellaneous itemized deductions are repealed from 2018 through 2025, deductible hobby expenses are effectively wiped out until 2026. This creates taxable income without offsetting deductions.

There are two ways to avoid the hobby loss rules: (1) show a profit in at least three out of five consecutive years, or (2) run the activity in such a way as to show that you intend to make it profitable, rather than operate it as a mere hobby. IRS regulations say the hobby loss rules won't apply if the facts and circumstances show you have a profit-making objective.

How can you prove that you have a profit-making objective? In general, you can do so by running the new venture in a businesslike manner. More specifically, the IRS and the courts will look to the following factors: how you run the activity; your expertise in the area; the time and effort you expend in the enterprise; whether there's an expectation the assets used in the activity will rise in value; your success in carrying on other similar or dissimilar activities; your history of income or loss in the activity; the amount of occasional profits (if any) that are earned; your financial status; and whether the activity involves elements of personal pleasure or recreation.





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**Merry Christmas**  
& *Happy New Year!*

*from*



Roxanne Jennifer Anthony  
Dori Chasidy  
Carrie Debbie

