

## January 2021 Blog #2 - 7 Things to Know About Your 2020 Taxes

The Covid-19 pandemic hit close to the beginning of 2020, with several changes brought on by coronavirus-related legislation that may impact your 2020 tax year filing. As 2020 is now in the books, it's a good idea to start taking a look at the 2020 tax year filing season changes and learn how the impact of existing and recent legislation can affect how you will file in 2021. The [Tax Planning](#) and [Tax Preparation](#) experts at Orlando based [CPA Accounting & Tax Services](#) outlines the top 7 things you need to know about filing your 2020 taxes:

1. For those married filing jointly, the standard deduction rose to \$24,800 for the 2020 tax year. This is up \$400 from 2019.
2. For 2020, income ranges for determining eligibility to make deductible contributions to traditional IRAs and to contribute to Roth IRAs have increased.
3. Under a provision of the CARES Act, you get to deduct \$300 in charitable contributions above-the-line.
4. The stimulus payments of \$1,200 or \$2,400 for couples is considered an advance refundable tax credit on your 2020 taxes, where you do not owe taxes on it, even if you owe for the 2020 tax year.
5. For employees who participate in employer retirement plans such as 401(k)s, etc., the contribution limit for has been increased to \$19,500 for 2020. This is up from \$19,000 in 2019.
6. Capital gains income thresholds for long-term capital gains increased in 2020. Visit [www.irs.gov](http://www.irs.gov) for the full listing of levels.
7. If you took a coronavirus-related distribution from your retirement fund in 2020, it will not be subject to a 10% early-withdrawal penalty. While the distribution will be taxable, the taxes owed can be spread over 3 years instead of being due entirely in the year of the withdrawal. Also, if you pay the funds back to the plan within 3 years, it will be considered a rollover and non-taxable.

Let us guide you through your 2020 tax filing. Contact the professionals at [CPA Accounting & Tax Services](#) to help guide you through tax season and beyond. We specialize in [Business Accounting Services](#), [Individual Tax Services](#), [Tax Preparation](#), [International Tax Services](#), [Tax Planning](#) and [Tax Resolution Services](#). We have offices in Orlando, Florida and service clients worldwide. Find out how we can serve all of your accounting needs by contacting us today: [www.cpaaccounting.biz](http://www.cpaaccounting.biz)