


TAX PAYMENT  
CALENDAR

FEBRUARY  
2021

Date			Completed
<u>Payroll Date</u>	<u>Deposit Date</u>		
Jan 27 - 29	Feb 3	Semi-Weekly Payroll Tax Deposits. Employers that are semi-weekly depositors generally must deposit taxes withheld and FICA taxes on payrolls paid on Wednesday, Thursday or Friday on or before the following Wednesday, and deposit taxes from payments on other days on or before the following Friday. Deposit electronically. Indicate Form 941, Federal Tax Deposit, and first quarter.	
30 - Feb 2	5		
Feb 3 - 5	10		
6 - 9	12		
10 - 12	18		
13 - 16	19		
17 - 19	24		
20 - 23	26		
24 - 26	Mar 3		
27 - Mar 2	5		
2	Groundhog Day.		
12	Michigan sales and use tax deposit for the month of January to claim early payment discount.		
14	Valentine's Day.		
15	Presidents' Day.		
16	Michigan Annual Report - Limited Liability Companies.		
16	Employers that are monthly depositors must deposit taxes withheld and FICA taxes on payrolls paid during January. Deposit electronically. Indicate Form 941, Federal Tax Deposit, and first quarter.		
16	Corporations with fiscal year ending February 28, May 31, August 31, or October 31: <ul style="list-style-type: none"> <li>• Deposit estimated federal income tax electronically. Indicate Form 1120 and Federal Tax Deposit.</li> </ul>		
16	Corporations with fiscal year ending October 31: <ul style="list-style-type: none"> <li>• Federal Income Tax Return - Form 1120.</li> <li>• Deposit balance of tax due electronically. Indicate Form 1120 and Balance Due on Return.</li> <li>• Pay accrued compensation, charitable contributions, retirement plan contributions, etc.</li> </ul>		
16	Corporations with fiscal year ending January 31, April 30, July 31, or October 31: <ul style="list-style-type: none"> <li>• Pay CIT estimate to State of Michigan.</li> </ul>		
22	Michigan Sales, Use, and Withholding Taxes Return for the month of January.		
22	Personal Property Tax Returns due to local assessor.		
March 1	Form 1096 – Annual Summary and Transmittal, accompanied by copy of Forms 1099-INT or 1099-DIV and/or Forms 1098.		
March 1	Michigan Annual Return for Sales, Use, and Withholding Taxes.		
March 1	Corporations with fiscal year ending October 31: <ul style="list-style-type: none"> <li>• File CIT return and pay balance due to State of Michigan.</li> </ul>		



JANUARY

SU	M	T	W	TH	F	SA
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

FEBRUARY

SU	M	T	W	TH	F	SA
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

MARCH

SU	M	T	W	TH	F	SA
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			



February 2021

### RECENT TAX LEGISLATION

The Consolidated Appropriations Act, 2021 (CAA), signed into law on December 27, 2020, is a further legislative response to the coronavirus (COVID-19) pandemic. The CAA includes numerous individual and business tax provisions briefly summarized below.

**Extenders.** Some of the more popular tax breaks extended include the following:

- The work opportunity tax credit – extended through 2025
- The employer credit for paid family and medical leave – extended through 2025
- Exclusion from gross income of discharge of qualified principal residence indebtedness – extended through 2025
- The deduction for the costs of energy efficient commercial building property (179D) – permanently extended
- The deduction for mortgage insurance premiums associated with a principal residence – extended through 2021
- The tax credit for energy-efficient improvements to your principal residence – extended through 2021

**Charitable Donation Deduction.** For taxable years beginning in 2021, taxpayers who do not itemize deductions may take a deduction for cash donations of up to \$ 300 (\$ 600 for married filing jointly) made to qualifying organizations.

**Medical Expense Deduction.** The income threshold for unreimbursed medical expenses as an itemized deduction is permanently reduced from 10% to 7.5%.

**Business Meal Deduction.** Businesses may deduct 100% of business-related meals provided by a restaurant during 2021 and 2022 (the deduction currently is available only for 50% of those expenses).

**FFCRA Credits for Paid Sick and Family Leave.** The paid emergency sick and family leave and related tax credits are extended through March 31, 2021 on a voluntary basis. In other words, the leave is no longer mandatory to provide, but employers that choose to provide it from January 1, 2021 to March 31, 2021 may take a federal payroll tax credit.

**Employee Retention Credit (ERC).** The employee retention credit is extended through June 30, 2021 and significantly modified to be more taxpayer favorable. Also, businesses that obtained Paycheck Protection Program (PPP) loans were previously not allowed to claim the ERC. The legislation has changed this so that businesses can now receive the ERC (retroactive to March 13, 2020) even if they obtained a PPP loan (provided other ERC requirements are met). However, one caveat is that the same expenses cannot be used for both the ERC and PPP Loan Forgiveness purposes so proper tax planning is a must in this area.

**PPP Expense Deductions.** The CAA changes applicable law to allow PPP borrowers to deduct all qualifying expenses, including those expected to be covered by forgiven PPP loan amounts. The law further clarifies that forgiven PPP loan proceeds are not taxable income and that use of PPP loan proceeds for forgivable expenses will not reduce any tax attribute or deny any basis increases.

### UPDATES FROM JANUARY NEWSLETTER

Certain amounts were not yet available at the time of publication of our January newsletter. The following amounts were subsequently announced:

- The IRS released the 2021 standard mileage rates. The new rates are 56 cents per mile for business use, 16 cents per mile for medical use, and 14 cents per mile for charitable use.
- The Michigan Wage and Hour Division confirmed that the State's hourly minimum wage will remain at \$ 9.65 per hour for 2021 (unchanged from 2020).