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| |  |  |  | | --- | --- | --- | | |  |  | | --- | --- | | |  | | --- | | **How different was this tax filing season?** While things were clearly different with the extension of the filing date and many other accommodations, some things were surprisingly similar when comparing this income tax season with last. Just slightly more returns were filed this year. A tad more refunds were issued this year. The total refund dollars out the door was up noticeably, due in part to the increase in EITC. We always like to report an increase in electronic filing, and we can do that this year – up 2% to 89%. Look forward to reporting 100% one day!   **Sales tax holiday do’s and don’ts** With the sales tax-free weekend now an annual happening, shoppers and vendors can prepare for this year’s event on August 29-30 by knowing what’s included and what’s not. You’ll find lots of [information on the sales tax holiday](https://mass.us11.list-manage.com/track/click?u=0e9e2209abd5f7062568d9a19&id=1b7697797e&e=7d79ed0572) on our website like what’s in and what’s out, if internet sales are included [they are], if vendors are required to participate [they are], how to report sales after the holiday, and much more. With so many small businesses facing challenges during the COVID-19 emergency, let’s hope this is a boon to our local economy.   **Income tax returns update triggered repeat notices** We were required [[TIR 20-4](https://mass.us11.list-manage.com/track/click?u=0e9e2209abd5f7062568d9a19&id=3de16dd346&e=7d79ed0572)] to update 2019 returns already processed with the April 15 deadline to reflect the new due date of July 15. In early August these tax returns were reposted to accounts, along with transfers. A heads up that some of the transfers that were reposted triggered the systematic issuance of Notices of Refund Applied to Debt…again. A few fiduciary and non-resident composite accounts were affected as well.   **Guidance for telecommuters updated** Just a reminder that in July we revised our guidance on the Massachusetts personal income tax, withholding and nexus implications of an employee working remotely in a different state than where they had been working prior to the COVID-19 emergency. If you haven’t had a chance to review, you can learn more through the [Emergency](https://mass.us11.list-manage.com/track/click?u=0e9e2209abd5f7062568d9a19&id=447df7b4c2&e=7d79ed0572) and [Proposed](https://mass.us11.list-manage.com/track/click?u=0e9e2209abd5f7062568d9a19&id=16439e6f90&e=7d79ed0572) regulations and the [Technical Information Release](https://mass.us11.list-manage.com/track/click?u=0e9e2209abd5f7062568d9a19&id=c5070a5bf3&e=7d79ed0572).   **Good recordkeeping is good business for lots of reasons** For so many reasons a business needs to have good recordkeeping systems in place. Just one of those reasons is that if you’re selected for audit, DOR will expect you to comply with our recordkeeping requirements. Whether your business is a sole proprietorship, a partnership or a corporate entity, it’s important to keep good records.  Good recordkeeping will not only help you prepare accurate sales or meals tax returns all year – it will help you file an accurate year-end return to report your business income. We recommend keeping separate personal and business records and we strongly suggest you familiarize yourself with DOR’s [Record Retention Regulation](https://mass.us11.list-manage.com/track/click?u=0e9e2209abd5f7062568d9a19&id=c6e82f33d0&e=7d79ed0572)**.** If you’re a sales and meals tax filer, you’ll want to review [Directive 16-1](https://mass.us11.list-manage.com/track/click?u=0e9e2209abd5f7062568d9a19&id=9a5b2a8351&e=7d79ed0572)  about electronic recordkeeping. For those of you who use a Point of Sale [POS] system, you’ll want to verify that it meets the criteria outlined in Directive 16-1, such as providing sequentially numbered invoices or guest checks.  Good records will generally reduce the amount of time needed to complete a sales or meals tax audit.  Consider discussing your recordkeeping methods with a tax professional – getting your records in order now could save you time and money later. | | |  |  |  |  |  |  | | --- | --- | --- | --- | --- | | |  |  |  |  | | --- | --- | --- | --- | |  | |  |  | | --- | --- | | |  | | --- | | **DOR News – August 2020** | | | | |
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