

# NCCPAP Newsletter

# Nassau/Suffolk Chapter

Volume 2 • Issue 2 • June 2020

## ISSUE HIGHLIGHTS

Upcoming Webinar

p. 2

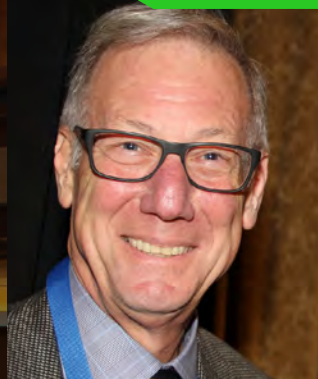
LITPS 2020 Update

p. 8

NYC Accounting Show

p. 14

We would like to thank these wonderful speakers for leading our April and May "Covid-19 Morning Briefing" Webinars. The knowledge they have provided has been invaluable during this difficult and unforeseen time.



Robert Goldfarb



Robert Barnett



Neil D. Katz



Glenn J. Franklin



Matthew Rappaport



Dan Fusco

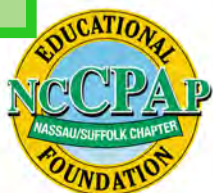


Barry Sunshine



Jack Malley

Renee Rampula



## **Protective Actions & Best Practices Relating to COVID-19 Rules as Your Workforce Returns**

Wednesday, June 24, 2020, 10 AM - 12:00 PM (ET)

### **Zoom Webinar**

### **Learning Objective**

Learn the best practices for handling offers to returning employees, general unemployment & discrimination liability traps, government safety requirements, FTE headcount & PPP reduction rules.

### **Registration**

**2 CPE/Special Knowledge & Applications**

Members Cost: \$30

Non-Members: \$40

To Register Please Visit: <http://go.nccpap.org/nschapter/home>

### **Speakers**



**Scott Ahroni, J.D., LL.M(TAX)  
of Leibowicz & Ahroni PLLC**



**Martin Gringer, Esq.  
of Franklin, Gringer & Cohen, P.C.**



## **Greetings from the Editor**

**By Gary Sanders**



**Can You Unmute?**

**Can we have a Zoom Conference?**

**Did you see the newest Webinar with today's PPP changes?**

These are the questions that have become part of our new normal. None of us could have ever imagined that our world, and especially our profession would be so tremendously impacted in such a short period of time.

As we all know, changes in tax laws, imposition of new regulations, and even the imposition of submitting electronic returns has been part of our lives and our practices for years. I can remember the confusion when the electronic filing for NYS commenced, and we had crowds of several hundred people all gathered at a diner!

Nothing can compare to the changes, the conflicting laws, the client concerns, and even the occasional despair that our accounting community has experienced this year, but we have been so responsive. In a few short months our National and local Chapter leaders have provided us with more than we could have ever imagined:

- Countless morning briefing webinars and almost daily informational bulletins.
- Our community website has expanded in depth and content with questions being asked, and immediate valuable responses.
- We have provided Zoom meetings to continue with our acclaimed MAP meetings.
- We have continued to convey the opinions of the practitioner to Federal and NYS regulatory authorities, on behalf of the needs of our clients.

I have thought about the leaders of NCCPAP, and friends that are true leaders of so many organizations facing these troubling times. I have learned that a true leader has the love and dedication of that organization to keep the members together and to be able to operate and expand with the flexibility desperately needed. We are so very fortunate to have Andrea Parness and Robert Brown as our Presidents. They have been tremendously devoted in giving their time and ideas to our membership.

Now, we turn to the future. We all know it will not be the same, as we face our new world. However, with the leadership of Bob Goldfarb, and our symposium committee, our symposium will be virtual this year, but with the same high standards and qualities that make it so very special. Be sure to read Bob's article in this Newsletter, to learn of the weekly meetings, and committees being formed to guarantee this year's symposium to be the success we all know it will be.

I urge you to read all of the articles in this edition, as we carefully selected them to keep you informed, each from our regular webinar presenters. Be sure to watch for continued last-minute programs being virtually scheduled immediately upon release of new PPP Laws.

I believe we have all learned other key points. We have a new and enhanced commitment to serving our clients in the best way we can, as they need us more than ever (and we need them and our relationships!). We have certainly learned what it means to love and value our families. We have also learned that now, more than ever, we need to reach out to each other, so none of us feels alone in our journey.

I will close with the answers to my questions at the top, let's all **UNMUTE, TUNE IN TO ZOOM**, and visit with each other at **WEBINARS** with some virtual hugs. That is what we are, and will always be...

### **MEMBER HELPING MEMBER!**

Stay well and Happy JULY 15th—another thought we never dreamed of!

**Gary Sanders**, CPA is President of the firm Gary Sanders CPA PC in North Bellmore. Gary has served as Past President of the Nassau/Suffolk Chapter and as President of the Educational Foundation. He currently serves as the managing editor of our Chapter Newsletter.

## IMPORTANT NOTICE

Please be advised that the 4th annual Blood Drive in Honor of Susan Gallo scheduled for Saturday, July 11, 2020 has been cancelled.

We will keep you informed should there be a rescheduling of the drive at a later date.

**BLOOD BANKS ARE STILL DESPERATELY IN NEED OF DONATIONS!**

"You can still go out and give blood. We're worried about potential blood shortages in the future. Social distancing does not have to mean social disengagement." - U.S. Surgeon General

Please make an appointment to visit the store front location near you and donate in Susan Gallo's name using group #69283

For more information on where to donate visit:  
[www.nybloodcenter.org/blood](http://www.nybloodcenter.org/blood) or call 1-800-933-2566.





## **Educational Foundation President's Message**

**By Andrea Parness**

Our office has a favorite saying "It's not a problem, it's an opportunity". The Covid-19 pandemic is proving to be yet another example of how we change and innovate in the face of adversity.

Over the past few years, our Chapter and Ed Foundation education and Symposium committees have received countless requests to live stream our most in demand seminars and symposium sessions, to enable remote access to other chapters and non-members. Be careful what you wish for!

I looked up my Facebook and LinkedIn posts from March 4 where I had posted notes and photos of our last chapter meeting. I think 14 of us were crowded together at a "10 seater", it used to be "shuffle over and make room for one more". I certainly miss those days of greeting other members in person and chatting or complaining a bit during the networking hour before our seminar started. That is why I was thrilled that Robert Brown, Bob Goldfarb and I were able to reach out to some of the National Leaders as well as Robert Barnett and Neil Katz for brainstorming sessions on how to keep our members and the accounting community at large informed about new laws and guidelines. Our initial intent was to create a "Morning Briefing Series" of several ten minute sessions a week so we could still feel connected while sharing updates. This developed into a series of complementary live streamed seminars including:

- Best practices for operating remotely
- Details and updates on dues dates
- New laws, pronouncements and guidelines

I am grateful to all of our speakers and organizers who devoted so much of their precious time while they were overwhelmed and stressed by all that was happening in their lives. We received many acknowledgments that their efforts to support and create community in this time of need accomplished our goals and effected so many of our fellow members and non-member alike. It has been great to be able to "chat" with others on video conferences and we are hoping to maintain our connection while continuing to highlight important guidance. I for one read all the emails that Sandy Zinman sends detailing the tax law changes and am grateful to all of our members who share information and links in the discussion groups in our <https://go.nccpap.org/home> online community.

It's June and still tax season, but we are starting to hold our regular chapter and MAP meetings via live-stream platform with important issues about:

- Firm security
- Our liability for the new type of support and consulting work we are offering
- Employment and safety issues for staff and clients as we return to work
- Accounting and auditing series
- New laws as they are passed and then changed and then changed yet again

Thanks to all of our members, right now we are physically socially distant but still close and available to each other. Hearing your feedback has made all of this hard work so worthwhile for me and my "cohorts in crime" (you know who they are).

Best wishes for a safe return to our new normal and best wishes to you, your family and friends for health and safety through these trying times.

**Andrea Parness, CPA** is owner of A Parness Company CPA, a niche market CPA firm based in Belle Harbor, Queens, NY. Her firm offers cloud accounting software conversions, integrations, support, virtual CFO services, business coaching and advisory services, accounting firm support and medical office consulting, and tax minimization planning. [Andrea@AParnessCPA.com](mailto:Andrea@AParnessCPA.com) <https://aparnesscpa.com> (718)-318-2677

## **Message from the Nassau/Suffolk Chapter President**

*By Robert Brown*



It has been a while since we published our last Nassau/Suffolk Chapter newsletter. Every time I sit down to write an article, I think about what has happened, and what we have done as a chapter, since the last newsletter. This time, the entire world has changed, so we have all changed.

When I speak to people outside of our profession, they always seem to ask the same question, “why are you so busy?” My answer is always, “change.” It happens, we learn, advise, educate, consult, and give therapy. It changes, and we are doing it all over again.

Lately, things seem to change at least weekly, so we are indeed busy. What makes it possible for me, is that I have access to all of you, the invaluable pool of knowledge.

For all you who attended our morning briefings, we hope you found them both informative and therapeutic. A very special thank you to our committee, Robert Barnett, Neil Fishman, Bob Goldfarb, Neil Katz, Andrea Parness, and Mark Stewart, as well as all of the other great speakers who were kind enough to prepare and present, on relatively short notice.

As we move forward, there will clearly be many challenges faced by our clients, and they will be calling on us for our sage advice. With that in mind, we will be putting on many programs, and follow up programs, as the guidance seems to change like the wind. We are still working hard planning your Long Island Tax Professionals Symposium, which may be a little different this year, but will not disappoint.

The bright spot, over the last two months, is so many of you reaching out. Whether it was joining in the programs, helping a colleague, or helping our entire NcCPAp community. Thank you all for your ongoing support, and let’s keep up the great work we are doing, as a community.

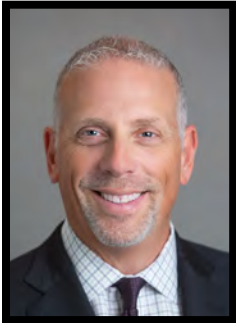
Stay safe!

**Robert N. Brown, CPA, CGMA** is the owner of Robert N. Brown, C.P.A., in Jericho, NY. He has spent more than 35 years in public practice serving small to middle market companies, and individuals in the areas of tax preparation, tax planning, tax controversy, estate planning, multi-state taxation, tax representation, financial statement preparation and management advisory services. He is a frequent lecturer to accountants and other professionals on tax, accounting and management matters.

## **A Lesson in Patience**

*By Neil D. Katz*

***“We’ve Become So Addicted to Instant Gratification that We’re Blind to the Impact it has on our Lives.”***



Frank Sonnenberg, the award-winning author and well-known advocate for moral character, personal values, and personal responsibility, who was recently named one of “America’s Top 100 Thought Leaders” and one of “America’s Most Influential Small Business Experts” said this. Perhaps in his spare time Frank is a CPA living through the COVID-19 global pandemic...

Each of you has spent the last couple of months working in a world that was only imagined in science fiction movies. A world of “stay-at-home” orders, that has created a new remote business world for some, and a new no-business world for others. You are all doing your best to be able to assist your clients...but in many instances, for many of your clients...your efforts have not been sufficient. Your clients have come to expect that you, as a CPA, should have the answer for every question, and have that answer immediately, if not sooner!

One of the many things that I have learned during this time is that despite my best efforts, I cannot answer every question, and I certainly cannot answer every question with the speed that my clients desire.

I blame some of this problem on technology. Clearly without the ability to work remotely CPAs would be facing a similar dilemma to that which restaurants, gyms and other businesses that simply are unable to operate are facing. This ability to work remotely, however, has meant that each of you is never “off-duty”. How many of you have made yourself available 24/7 because when working remotely “the day or time of day doesn’t really matter”? It truly is amazing that despite being available all the time, it may still not be enough for some clients.

I blame a portion of this on social media. Twitter, LinkedIn, Constant Contact and even Facebook have made information available to our clients with blinding speed. Not all of the information is correct, but that does not seem to matter. The only thing that matters is being the first one out with the information. Speed rather than accuracy appears to be more important to many clients.

Ultimately, however, I place the most blame on all of us. We are scared of trying to explain to our clients that we just do not have all the answers, because we fear that in their minds they think that “someone else will.” During the COVID crisis we have learned that it is sometimes better being late to the dance. Those people that rushed to make PPP applications only to find that their banks were not ready and got frozen in the system, those that applied for loans without understanding how the computations were supposed to be done only to find that they would have to re-do their applications (if their banks would let them), and those people that returned money out of fear only to find out that their loan was too small for the government to be concerned, all probably wish now that they had slowed down a bit, let the rules work themselves out before they took any action.

Believe me, I understand the pressure that CPAs face when tax laws change or are changing. I am often at the other end of the phone or email trying to help you through the issue, or perhaps talk you off the ledge. Very often I am faced with having to tell you that I just don’t know...or that I am waiting for more guidance, and I am always wondering if that means that you will no longer see me as an expert and take your clients elsewhere. But a wise man, who taught me most of everything that I know told me a long time ago that it is easier to justify being patient in your advice than to attempt to undo the impact of rushing to judgment and providing improper guidance.

**Neil D. Katz, Esq.** is the Managing Attorney at Katz Chwat, P.C., a law firm located in Melville, N.Y. that practices in the areas of Taxation, Estate Planning and Administration and Business Transactions. Neil is also the principal lecturer at Katz Tax Seminars and a frequent contributor/lecturer for the Long Island and Westchester/Rockland Chapters of NCCPAP. Neil can be reached by email at [neil@katzchwat.com](mailto:neil@katzchwat.com) or by phone at 631-683-8700.



## **UPDATE ON THE 2020 LONG ISLAND TAX PROFESSIONALS SYMPOSIUM NOVEMBER 18, 19 & 20, 2020**



Dear Friend:

As you may know, the Executive Committee of the Long Island Tax Professionals Symposium (LITPS) has hosted the LITPS every November since 2003! The Committee spends up to 14 months preparing for each tax symposium. YES, we begin planning each symposium approximately 2 months before the previous one even STARTS. Despite all the problems we have been experiencing with the COVID-19 virus, I am **HAPPY** to say that the **2020 LITPS WILL be held AGAIN this November 18, 19 and 20 but in a digitally streamed format.**

The Executive Committee has already met no fewer than 10 times to prepare for this year's event. Many of the meetings centered around how we can produce the symposium with the same professionalism and quality that we have done in the past. Our most recent meeting, held on a ZOOM Platform, took place on Wednesday, May 27th. Whereas the committee is 100% in favor of producing the symposium, we find it is most likely impossible to continue to plan for the event to be held at the Crest Hollow Country Club (CHCC). The CHCC remains closed at this time without any new information from New York State regarding *WHEN* they can reopen, *HOW* they can reopen or even the amount of staffing they will be able to put in place for our event.

Based upon all of the above, as well as numerous conversations and discussions among the committee members, other NCCPAP members, prior symposium participants and many speakers, we felt that the only viable option currently available to us at this time is to present the first ever **VIRTUAL LITPS**. We are considering all kinds of options, and programming, to make this the **BEST** symposium EVER.

Below are just a few:

1. Reduce the number of program offerings to 3 or 4 (most likely 3) **per time slot per day** allowing for at least 25 CPEs. Please note that our intent is to limit duplicated programs, utilize professional quality equipment and use various studios both here on Long Island and, possibly, NYC. We would need to staff these locations and monitor the presentations from potentially multiple remote locations. We are very grateful that we have received several offers for studio space and time.
2. The CPE offered will include TAX, A & A, IRS CE and CFP credits.
3. We are working on sending SWAG packages to everyone – HOW? I am not quite sure yet.
4. **Pricing** – While we have not determined pricing yet it will be LESS than if we maintained the event at the venue. Please keep in mind, however, that we still incur significant expenses, including but not limited to streaming and studio charges, even though we don't have food and "hotel" charges.
5. **Please note, that for those of you who prepaid for all three days, you will receive the difference in a refund AND your fee will, as promised, remain less than all who did not prepay!**
6. We are in the process of obtaining sponsors for the symposium, as usual, so as to offset some of the cost that you would otherwise have to incur.
7. We will maintain the quality and timeliness of the subject matter AND the speakers.

I know that you understand that this is a major shift from our usual event. As such, there are many unanswered questions and plenty of questions that need resolution. We are diligently working on getting the answers to ALL of the questions but we need your cooperation and patience. Afterall, as you well know, WE have never entered into this type of event. We are pretty much starting from square one and hope that you will support us in this new endeavor so that we may bring you the **VERY BEST LITPS EVENT EVER!**

Please watch for further updates. And PLEASE, if you have any thoughts, suggestions, concerns or ideas we would truly LOVE to hear from you. Please forward any comments directly to me at [Robert.Goldfarb@janoverllc.com](mailto:Robert.Goldfarb@janoverllc.com)

Thank you very much for your continued support. We wish you well during this extended tax season period and a wonderful Summer. Please, **STAY SAFE AND STAY HEALTHY.**

All the best,

*Bob Goldfarb*

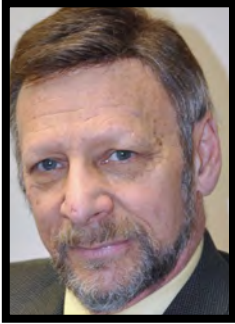
Robert L. Goldfarb, CPA

Chair, LITPS





## **The CARES Act and Retirement Plans – What You Should Know**



*By Stephen Abramson*

### **Key Issues**

Who is eligible to receive distributions including extended loans and in-service distributions? In accordance with the Act §2202(A)(4) a Qualified Individual is:

- Any employee, spouse or dependent who is diagnosed with SARS-CoV-2 or COVID-19
- Any employee experiencing financial consequences due to quarantine, furlough or lay off, or having reduced work hours due to the above
- Any employee unable to work due to lack of availability of child-care due to the above
- Any employee/owner unable to work due to closing their (outside) business
- Additional factors as determined by Treasury (none as of May 15, 2020)

- Employers can accept an employee's certification of eligibility

### **What are the special rules included in the CARES Act?**

- Corona Related Distributions (CRDs) are limited to \$100,000 in the controlled group. This provision only applies to defined contribution plans. The 20% withholding is waived but 10% withholding is discretionary by the employee who has the option otherwise the employer will be subject to penalties. Income tax on the distribution can be spread over three years following the distribution or paid in 2020 and can be re-contributed over the same three years allowing the employee to request a tax refund.
- Loan limits are increased to the lesser of 100% of the vested benefit or \$100,000 in the controlled group reduced by the highest outstanding balance in the prior twelve months if the loan is issued between March 27, 2020 and September 23, 2020 and payments can be delayed one year. Payments must then be adjusted for interest and re-amortized.
- Required Minimum Distributions due in 2020 are waived for any employee or any IRA or pension beneficiary including the self-employed and inherited IRAs.
- Plan amendments allowing the above are due by the last day of the 2022 plan year
- CRD limits apply to distributions on or after January 1 and before December 31, 2020

### **What other provisions are available under the CARES Act related to retirement plans?**

- Minimum funding requirements for defined benefit plans (not Money Purchase or Target Benefit plans) due during 2020 are deferred until January 1, 2021. There is no change in the due date for purposes of deductibility.
- Safe Harbor contributions to a 401(k) plan can only be suspended if:
  - The employer is operating at an economic loss for the plan year; If the annual Safe Harbor notice to employees includes a statement that the Safe Harbor contribution may be suspended; If the contribution is suspended other rules apply including by regulation
- The DOL suspended the timing of certain notice requirements including retirement benefit claims and appeals, blackout notice, fee disclosure, participant statements, the Summary Annual Report, BUT NOT spousal consent where required.
- The DOL will not take enforcement action if deferrals or loan repayments are delayed past statutory deadlines if the amounts are forwarded as soon as administratively practicable and the employer acts reasonably and prudently to comply.

### **What retirement plan contributions can be included in the Paycheck Protection Program?**

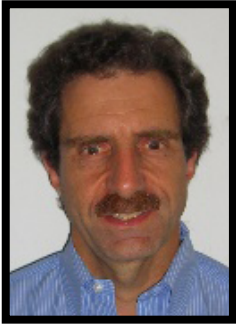
- Employers must choose a consecutive eight-week period during the time from
- February 15, 2020 to June 30, 2020 to measure these contributions
- Salary deferrals since they are part of compensation are includible
- Employer contributions are includible if "incurred and paid" during the 8 week period
- There is no government guidance on contributions to defined benefit or profit sharing plans. There is some industry support for using a portion of those contributions paid in 2020 by taking a pro-rated amount, e.g. multiply the contribution by 8/52.

For any questions please submit to my email: [steve@apspension.com](mailto:steve@apspension.com)

Stephen Abramson, CPC  
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Melville, N.Y. 11747

## **Improve Profit During Reopening - AKA The New Normal**

*By Jim Dipelesi*



Creativity is going to be the key. Think outside the box! A local restaurant put up a large screen and transformed their parking lot into a Drive in Movie. Some stores added Personal protection items to their inventory to allow them to stay open. Restaurants are expanding their outside dining areas in preparation to social distancing dining. Country clubs are opening new food service areas to permit pickup and will set up tables on lawns complying with social distancing. How about renting a tent to expand your dining areas, events are off for the moment and tents should be cheap. Whatever it takes, we will get through this.

### **Steps to Move Forward Safely**

It's been an unprecedented series of events. What happens next as we move forward will have to be smart, considered, and measured to ensure the safety of everyone involved. It's clear that we shouldn't skip steps along the way, but that we move forward. Below and attached are a variety of resources to ensure that you can move forward in a way that engages your members/clients and meets their expectations in a way that supports your business.

### **Contactless Reopening Resources**

For years you've depended on a "high-touch" personal experience to deliver exceptional experiences. Now as you prepare to reopen you'll have to take a somewhat different approach to create that same experience.

Your software has all of the tools you need to maintain a fully engaged and personal member experience while still maintaining social distancing for member and employee safety. Both of our staff and products are here to support and partner with you during this transition.

### **A New Look at Reservations**

Coming back to a club is going to be different. It's going to happen in stages and it has to be in a controlled fashion. While you want members to enjoy the club, it's your responsibility to ensure that it happens in a safe way that assures proper distance and time for sanitization. These are things that weren't considered before. Use your software which has incorporated a great way to space out time intervals for your members to enable them to use all of your amenities while minimizing opportunities for personal contact or groups from gathering in any location.

### **NCA Suggestions on Reopening**

For years the National Club Association (NCA) has been at the forefront of every issue impacting clubs. That was seen as they began communicating news about the virus in the very beginning, projecting and communicating how it might impact clubs. A great example was the series of Town Hall meetings they have conducted, among other resources.

### **NCA RESOURCES**

Attached you will find a listing of resources gathered together by the NYS Restaurant Association. Please send us any other ideas or resources you have so we can distribute them to our mailing list

### **Microsoft Broke Outlook Search – You are not crazy**

May 4th, Microsoft pushed out an Office update. After this update, ALL user's Outlook search feature stopped working! The short term solution is to click the Search local computer. I noticed it on my computer right after the update, I thought it was just me or my desktop, then it happened on my home computer, laptop etc. Over time we found All desktops at all our clients after the update with Windows 10 having either MS Office 2016 and 2019 can no longer search. This does not matter if it is Microsoft 365 web based exchange or on premises. We have tried many of the fixes online and they either don't work or revert to the same search failure within a day or two. There are pages and pages of people complaining and of course Microsoft is silent on the matter. I am sure they will get a fix soon, it was supposed to arrive 5/14. Below is just one of the articles on it.

<https://community.spiceworks.com/topic/2209402-outlook-2016-and-2019-search-broken-after-latest-office-update>

Thanks and have a great day!

## **Community Banks Step Up for Small Business Owners**

*By John Barbalaco*



Being a banker over the course of the past few months has been anything but dull. When most had a chance to tackle D.I.Y. projects or spend time learning a new skill, the banking industry was tasked with deciphering, extending, funding and eventually forgiving loans provided by the SBA's Paycheck Protection Program "PPP".

As a small Darien, CT-based community Bank, our focus is no different than any other Bank our size; serve our market's retail and commercial customers. One of our main focuses is commercial lending, where we have always approached credit in a conservative manner with credit quality being paramount. The PPP was uncharted territory for the Bank, as it was rolled out in a matter of days with limited details and evolving directions from the SBA, a challenge that persists to this day. However, being a previously approved SBA lender, we felt confident that we could secure these loans for business owners.

We approached the PPP with an "all hands-on deck" mentality as PPP business became our only business during that time. Any Bank employee who had any bandwidth was dedicated to the PPP effort, as it presented a unique opportunity for us. We not only would be helping our existing customer base, but also non-customers who had been shut out by larger institutions. The demand for PPP loans was overwhelming and our only reprieve was the exhaustion of the first tranche of funds. For the second round, we scaled up our volume and were raring to go with everyone on the commercial lending team, including the Chief Credit Officer, spending many late nights inputting customer's PPP loan data directly into the SBA's E-Tran system. Admittedly, dealing with this system was frustrating, to put it lightly, with it continually crashing and a snail's pace speed. However, we remained patient and our perseverance paid off, as the Bank has approved and funded over 250 loans that saved over 4,000 jobs with greater than 80% of the loans extended less than \$350,000.

As a lifelong community banker, I have always felt that our ability to react and focus on the matter at hand is our competitive advantage. For the PPP, we steered all of our efforts to this initiative and stepped up for businesses where our larger competitors fell short. Our hope is that people see the benefit and importance of maintaining a relationship with an institution our size to be a great partner through all of life's ups and downs. For our Bank, this has been a great success, as it has provided us with exposure and access to businesses that it would have taken us years and lots of marketing dollars to accomplish. It is also what has provided me with the opportunity to write this article.

As we move into the forgiveness phase of the PPP, we are continually asked what to do next. For us, like everyone else, this is an evolving process and our thought is simple; segregate the PPP funds into a designated account, consult your friendly accountant, and make sure to keep good records of what the funds are used for. Sounds simple, but really is the best course of action and makes for an easy review for all involved.

Ultimately, our hope, above all else, is that the PPP accomplishes what it was intended to do and helps businesses recover during an unprecedented time.

*John Barbalaco is the EVP, Chief Banking Officer, of DR Bank, a Connecticut state-chartered and FDIC member bank offering consumer and business deposit products as well as commercial lending solutions based out of Darien, CT. [jbarbalaco@drbank.com](mailto:jbarbalaco@drbank.com) [www.linkedin.com/in/johnnybarbalaco](https://www.linkedin.com/in/johnnybarbalaco) 203.669.4113. [www.drbank.com](https://www.drbank.com)*

## **State Residency Questions During the Coronavirus Pandemic**



***By Brian Gordon***

As a result of the pandemic, many people that have a primary residence in NYC and a secondary residence in the suburbs are changing their pattern and are now spending most, or all of their time for example on Long Island. They plan to continue this pattern for the entire year 2020.

The question then arises: Do I have to file as a NYC resident for 2020?  
Under NYS and NYC law, there are two ways an individual can be taxed as resident.

**1. As a statutory resident:**

Meaning, if you have a residence in NYC, and you spend more than 183 days in the city (you don't have to sleep there – any part of a day counts as a day) you are taxed as a NYC resident.

Someone who is domiciled in Long Island, living with a spouse and family and commutes to NYC on a regular basis staying over occasionally at their NYC apartment is an example of a “statutory resident”. They have to pay NYC resident tax because they have a residence in NYC and spend more than 183 days there. If they now spend less than 183 days, they will not be a resident.

**2. As someone domiciled in NYC.**

Your domicile is your primary residence. This is your intended permanent home. NYS auditors generally look at five primary factors to determine where your domicile is. The factors are: comparison of the homes, location of employment or business, location of family, time spent at each location, and location of sentimental possessions. Your lifestyle, hobbies or what is referred to as “habit of life” permeate all of the factors.

It also must be noted that once your domicile is established, it continues at that location until you make a clear and convincing change with the intent to stay at the new location permanently or indefinitely.

If someone's primary residence, or domicile, is NYC and they spend little to no time in NYC in 2020, will they still be a NYC resident for 2020?

With no other information, the answer is YES.

Usually when I am given this question, they tell me that they intend to go back to the city next year and resume their prior lifestyle. That is clearly not a change in domicile. NYC is still the domicile, because they are planning to return.

Can domicile be changed in a case like this? It certainly can – if a NYC domiciliary plans to change their lifestyle on a permanent basis. Obviously, if someone sold their NYC apartment and began living in their Long Island home permanently, domicile would be changed. Domicile cases however, are often not that clear cut.

Someone that wants to retain their NYC apartment and continue to work for a NYC company, but change their domicile, has to change their lifestyle to that of a primary telecommuter and only go to NYC on an occasional basis. I'm keeping the facts simple here, but domicile can become a very complex and detailed analysis. Again, see the domicile factors mentioned above. Changing to a commuter lifestyle will not help as one would probably be present in NYC more than 183 days therefore becoming a statutory resident.

While no factor by itself is completely determinative, if you have minor children, a very important factor is where the children go to school. If someone does not have minor children, time spent is a very important factor, however, please remember that if we are talking about a change of domicile, the change has to be clear and convincing. Even if you do not meet the requirement of a statutory resident (more than 183 days), just spending a few days more in Long Island than in NYC does not make a clear and convincing change of domicile. Other factors would have to be carefully analyzed.

***Brian Gordon, CPA is President of State Tax Audit Representation, Inc. His business is to help people with NYS Sales Tax audits, Residency Tax audits and other tax problems. Previously, and for many years Brian was an executive in the NYS Tax Department where he was involved in many high value tax audits. Brian is co-chair of the NCCPAP MAP Committee. He is a frequent speaker and writer on state tax audit issues.***



# Top 10 Covid-19 Tax Relief Provisions You Need to Know Now

*By Karen Tenenbaum*



The federal and New York State governments have responded to the COVID-19 crisis with several tax relief measures. Here are the key provisions:

## Federal Taxes

- 1. Filing and Paying Taxes.** Taxpayers may defer filing and paying their federal taxes until July 15th. This applies to anyone with a filing or payment deadline falling on or after April 1, 2020, and before July 15, 2020, including individuals, trusts, estates, gifts, partnerships, corporations and other non-corporate tax filers, and Americans who live and work abroad. In addition, First and Second Quarter Estimated Tax payments are postponed to July 15, 2020. For 2016 tax returns, the normal April 15 deadline to claim a refund has also been extended to July 15, 2020.
- 2. Audits and Collections.** Many IRS actions have been temporarily suspended. Generally, new audits will not be started during this period, but ongoing audits will continue remotely to the extent possible as will appeals. Many collection activities have been suspended including liens and levies, passport certification, seizures of personal residences and referral to private collection agencies. Field revenue officers will continue to pursue high-income non-filers and perform other similar activities where warranted. In addition, where expiration of the statute of limitations might jeopardize IRS interests, it will issue Notices of Deficiency unless taxpayers consent to statute extension..
- 3. Installment Agreements.** For taxpayers under an existing Installment Agreement, payments due between April 1 and July 15, 2020 are suspended and taxpayers will not be found in default. However, interest will continue to accrue during this period. Taxpayers can continue to apply for new installment agreements.
- 4. Offers in Compromise (OIC).** Taxpayers with pending OICs will have until July 15, 2020 to provide requested information and no pending OICs will be closed through July 15, 2020. For accepted OICs, taxpayers may suspend payments through July 15, 2020. The IRS will not default OICs for failure to file 2018 returns but taxpayers must file by July 15, 2020.
- 5. CARES Act Business Tax Relief.** The employer's portion of social security taxes can be deferred for all of 2020, but must be repaid in two installments: the first due December 31, 2021, the second due December 31, 2022. Businesses may also be eligible for an employee retention tax credit equal to 50 percent of qualifying wages paid to each employee in a particular quarter, up to \$10,000 per employee. However, these tax credits are not allowed where the employer takes advantage of the Paycheck Protection loan program.
- 6. Tax Credit for Employers for Paid Sick Leave Wages.** The [Family First Coronavirus Response Act](#) gives employers a refundable tax credit for 100 percent of the qualified sick leave wages paid to their employees under the sick leave and family medical leave programs that are part of the law.
- 7. Payroll and Medicare Taxes.** Employers must continue to file and pay payroll and Medicare taxes.

## New York State Taxes

- 8. Income Tax Filing and Payment.** New York State has extended the April 15, 2020 tax filing due date to July 15, 2020 for state personal income tax and corporation tax returns. In addition, taxpayers are permitted to defer all related tax payments due on April 15, 2020 to July 15, 2020.
- 9. Sales Tax Filing and Payment.** Sales tax payments and returns were due March 20, 2020. However, taxpayers who were unable to meet quarterly sales tax filing and/or payment requirements due to COVID-19 could extend deadlines to June 22, 2020 and may have penalties and interest abated during this time period. Note that if relief is granted, tax returns must be filed and paid by the June 22nd deadline or relief will be rescinded. Relief does not apply to part-quarterly (monthly) filers nor PromptTax filers.
- 10. Audits and Collections.** New York has indicated that it will delay state debt collection for 30 days, which presumably includes tax debt collections. Audits are being conducted remotely to the extent possible. Collection agents are no longer performing field visits. Taxpayers should request audit extensions and/or relief from collection actions if necessary.

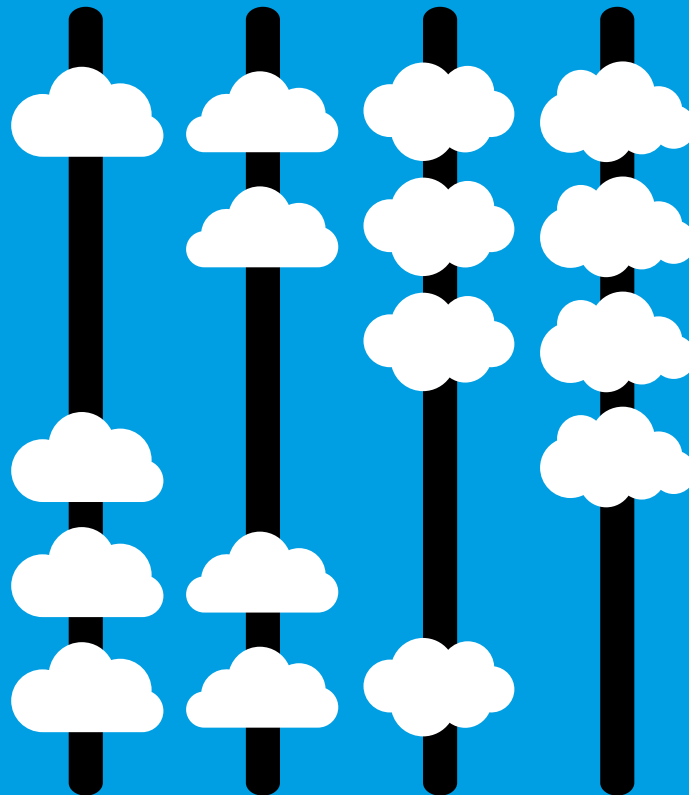
Additional information is available on the IRS and New York State Coronavirus web pages.

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Ross & Patti Kass on the birth of their granddaughter, Clara Rose

**Our Good & Welfare Chairman is Stephen Sternlieb, CPA [steve@sssternliebcpa.com](mailto:steve@sssternliebcpa.com)**

## **Our Condolences to:**

Paula Sheppard on the passing of her father, John Licastro.

Donald Ingram on the passing of his wife, Myrna.

## **In Memory of Myrna Ingram**

I will forever cherish the few short years Myrna and I were friends. Myrna was easy to be with, talk to and share experiences with.

Family was most important to Myrna. It was evident in the pride, concern and enthusiasm she exhibited when talking about Don, her children and granddaughters. I marveled at Myrna's artistic creativity. Many times, I was surprised and amazed that the piece of jewelry I complemented her on, was of her own creation. I admired most about Myrna her honesty and determination in the face of her illness. Myrna strived to live life to the fullest and encouraged those around her to do the same.

I am sure our friendship would have continued to flourish and deepen if we had more time. I will miss my friend Myrna.

- Robyn Hauptman



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