



WOOLSTON CONSULTING GROUP, LLC

*Certified Public Accountants and Consultants*

August 21, 2020

Dear Client:

*The IRS announced the following:*

*This week the Treasury Department and the Internal Revenue Service will send interest payments to about 13.9 million individual taxpayers who timely filed their 2019 federal income tax returns and are receiving refunds.*

*The interest payments, averaging about \$18, will be made to individual taxpayers who filed a 2019 return by this year's July 15 deadline and either received a refund in the past three months or will receive a refund. Most interest payments will be issued separately from tax refunds.*

*In most cases, taxpayers who received their refund by direct deposit will have their interest payment direct deposited in the same account. About 12 million of these payments will be direct deposited. Everyone else will receive a check. A notation on the check - saying "INT Amount" - will identify it as a refund interest payment and indicate the interest amount.*

*By law, these interest payments are taxable and taxpayers who receive them must report the interest on the 2020 federal income tax return they file next year. In January 2021, the IRS will send a Form 1099-INT to anyone who receives interest totaling at least \$10.*

*This provision is different from the long-standing 45-day rule, generally requiring the IRS to add interest to refunds on timely-filed refund claims issued more than 45 days after the return due date. Instead, this year's COVID-19-related July 15 due date is considered a disaster-related postponement of the filing deadline. Where a disaster-related postponement exists, the IRS is required, by law, to pay interest, calculated from the original April 15 filing deadline, as long as an individual files a 2019 federal income tax return by the postponed deadline - July 15, 2020, in this instance.*

*This refund interest requirement only applies to individual income tax filers - businesses are not eligible.*

If you have any questions, please let us know.

All our best.

Sincerely,

*Woolston Consulting Group, LLC*

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