

# BBEDC Tax Preparation Program

## Tax Tips!

**Tax Prep Time!**

It is time to file your **2021 Income Tax Return**. Don't forget BBEDC's **Tax Preparation Program**. **Residents of BBEDC Communities are eligible.** Over 1,000 residents each year have benefitted from our program. This year that total can include you too! Residents can register to receive up to \$150 towards the preparation of their 2020 federal tax return by resident professional tax preparers. Applications are available at [www.bbedc.com](http://www.bbedc.com), from your Community Liaison or the BBEDC offices in Dillingham. A list of the approved Tax Preparers is also available.

**April 18, 2022** is the deadline to file your **2021 Income Tax Return**.

Check with a tax preparer or the IRS about dates for paying estimated taxes and for filing extensions.

### Get Organized!

Organize your records. Good organization may simplify preparation of your tax returns AND there are other rewards; it might provide info that will reduce your taxes. Start early! **Ask your Tax Preparer for a checklist to help you in the process.**

### IRS Tax Tips!

The IRS maintains a website for general tax tips at <https://www.irs.gov/newsroom/irs-tax-tips>

### Helpful Information for Fishers



The IRS has established a specific website with information and tips for fishers. Go to the **IRS Fishing Tax Center** at

<https://www.irs.gov/businesses/small-businesses-self-employed/fishing-tax-center>

### File your 1099-Misc



Fishing captains that paid crewmembers need to complete and furnish **Copy B** of a 1099-Misc to the crewmember by **January 31, 2022** and **Copy A** to the IRS by **February 28, 2022** (or **March 31, 2022** if you file **electronically**).

The IRS can assess a penalty for failing to issue a proper Form 1099 (including late filing or filing forms with errors). Penalties can be as low as \$50 but as high as millions of dollars. 1099-Misc forms might be necessary for other payments during the year as well. *You cannot print 1099 forms from the IRS website. Forms can be obtained directly from the IRS and can be purchased at many retail office supply locations. BBEDC has a supply of 1099-Misc available for pickup in the Dillingham office and most Community Liaisons have been provided a supply. Contact your tax preparer if you have questions.*

### COVID Tax Relief & Economic Impact Payments

Some COVID relief funds may be considered taxable income and some may not. The IRS has established a specific website <https://www.irs.gov/coronavirus-tax-relief-and-economic-impact-payments> or consult with a professional tax preparer. This is especially important for fishers and small businesses that obtained a Payroll Protection Program (PPP) loan because the portion of the PPP that is forgiven is not treated as income, but expenses paid with the proceeds may be deductible.



### Fisherman's Retirement Plan

Fishermen can create a Simplified Employee Pension Plan (SEP) to put money away for retirement and lower your taxable income. A **SEP** is a retirement plan established by employers, including self-employed individuals. Ask your tax preparer to help you explore this option.



### Additional Resources

Bristol Bay drift fishers may find useful information about saving money through a wise tax strategy through the Bristol Bay Regional Seafood Development Association <https://www.bbrsda.com/business-tax>