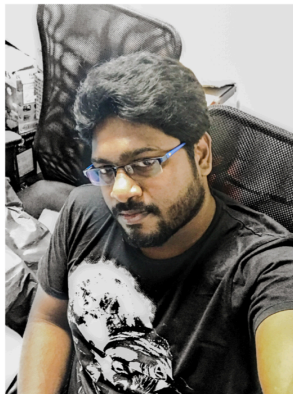
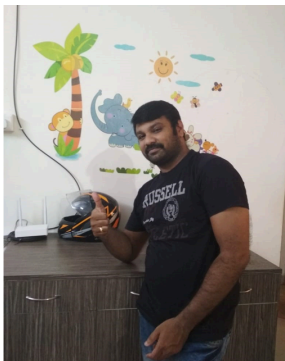


WIDE ANGLE

The Ventura Pranas Quarterly Newsletter

January - March 2020

How our paperless brag was put to test: enabling a team of 80 to work from home just hours before the lockdown in India



Clockwise from top left: The IT team - Antony, Karthik, Deepan and Yogesh. And our General Assistant who moved into the office to help manage the server, Sivakumar

On March 15th, a week before the lockdown began in India, Satish Sridharan (co-founder and partner, Ventura Pranas) thought to himself, “what if an indefinite lockdown happens and things get worse”? India had time to react after watching much of the Western World see the number of

Corona virus cases grow exponentially in their countries. Still, a certain amount of cognitive dissonance in all of us leaves us unwilling to acknowledge that this could happen to us too.

At Ventura Pranas, we've always maintained that we need to use technology and physical spaces as if we're a paperless company. This means that geography doesn't limit us (travel, rent a space, work out of a laptop, use technology for video calls) and technology means we should be able to work out of any place. Thinking this way has allowed us to engage in cross border work, but we never imagined this would be put to test as it was a few weeks ago.

Satish decided to prepare for the worst (and hope, as they say, for the best) by doing whatever it took to get the entire company working from home. In theory, for a consulting firm, this should be simple, but any entrepreneur knows that even the simplest of things in theory are tough to execute.

The steps involved looking into the intricacies of how people will actually be able to work from home in terms of adequate computer and tech facilities. The IT team managed to get all the hardware and software needed in case things came down to providing staff the equipment need to work from home.

Then came the toughest part: jumping through high hoops to figure out their server access. We ended up having to quickly build our own server, upgrade office internet connection to fiber optics for better speeds and figuring out a way to get all 80 staff to get access to VPN. Yes, we say it so simply as if anyone can do it, but it's a pretty ambitious undertaking to do on March 19th, just a couple of days before lockdown. What else do you do when the cloud won't host you, right? You go old school.

We gave first priority to work from home to those who stayed in hostels and who might be leaving town, then to those who live in Chennai but who take public transport to work, then to those who live in Chennai but with private transport, and then finally to those who live within walking distance from the office. By the 21st evening, 50% of our team could work from home, and by the 23rd, we set up the rest of our team. Our team has been incredibly flexible- many of them don't have a proper work space in their homes, but they're all figuring out ingenious ways to get their work done.

We share this story with you for a number of reasons. Well, for one, we're pretty pleased with ourselves and our persistent IT team for making this happen in a matter of days and we're grateful to our team of 80 for being so cooperative and flexible about working from home. We're so fortunate to be in the kind of business that can afford to do this. Our hearts go out to migrant labourers and daily wage workers who just don't have this as an option. Lastly, we also want to say that we're fully functional to handle all your work, we have pertinent information we want to share about government schemes related to Covid-19 and it's financial impact, and our co-founder and partner, Prabha Srinivasan, is in Los Angeles to handle questions and take calls in that time zone.

We don't know how long this will last, but we hope you're giving safety the biggest priority in your life.

Tax Deadline Updates: International Tax Summary Update



Here's a quick overview and summary of the latest tax updates, in light of Covid-19, and the postponement of deadlines.

International Information Returns, Clarification on Q10 of the FAQs issued under Notice 2020-18.

The information returns noted in Q10 do not include the international disclosures (i.e., Form 5471, Form 5472, Form 8858, etc.) The international forms are extended to the extent the underlying form they are filed with is extended. The postponement of the filing of tax return automatically postpones the time for making any election that's required on the return or an attachment thereto, or the filing of any form required to be attached to the return.

Form 3520 and Form 3520-A Clarification re: Q3 and Q10 of the FAQs issued under Notice 2020-18

Per Q3 and our understanding under Q10, it appears the filing deadline for Form 3520 and 3520-A has not been impacted. Important to note, the Form 3520-A should have been extended by March 15th, 2020 in the normal course of business and the Form 3520 should be filed or extended by the appropriate deadline. Under Notice 2020-17, limited filing exemptions are provided to certain "tax favored retirement and non-retirement trusts". *Please be aware guidance on this matter is fluid and may change, in which case we will communicate any changes.*

Form 1042 and Form 1042-S Clarification re: Q10 of the FAQs issued under Notice 2020-18

Q10 references informational forms which includes Form 1042 and Form **1042-S**. If you have questions about a specific form not referenced above, please connect with ITS.

Update to Tax Alert issued 3/20 re: IRC 965 Payments

Notice 2020-18 provided relief on Section 965 installment payments due on April 15th, 2020. The new due date of the installment payment associated with a 2019 tax return is the due date of the taxpayer's 2019 federal income tax return.

Foreign Bank and Financial Accounts (FBARs).

The FBARs are not covered by Notice 2020-18. The due date for the 2019 FBAR is April 15th, 2020, however an automatic extension applies until October 15th 2020, an extension filing is not required.

Base Erosion and Anti-Abuse Tax (l3EAI) Payments and Form 8991

BEAT Payments and the associated Form 8991 has been postponed for any taxpayer whose federal income tax return filing deadline has been postponed from April 15th to July 15th, 2020.

International Information Returns, Clarification issued under Notice 2020-23:

On April 9, 2020, the IRS and Treasury issued Notice 2020-23, which provided additional clarity on the remittance of international disclosure forms. The new guidance is largely consistent with our previous positions with one exception: Form 3520 has now been extended as well. The notice extends to both calendar year and fiscal year filers.

Specifically, the notice clarifies “that Forms 3520, 5471, 5472, 8621, 8858, 8865 and 8938 are extended”.

Domestic

Here are some due dates you’ll want to know: These updates are as of April 10, 2020.

Last month the IRS announced that taxpayers generally have until July 15, 2020 to file and pay federal income taxes originally due on April 15 extends more deadlines to July 15, 2020. The extensions generally now apply to all taxpayers that have a filing or payment deadline falling on or after April 1, 2020, and before July 15, 2020. Individuals, trusts, estates, corporations, and other non-corporate tax filers qualify for the extra time.

The following are extended to July 15, 2020:

1. Both the first and second quarter estimated tax payments.
2. Fiscal year corporations with a due date between April 1 and July 15.
3. Form 706 filing and payment.
4. Form 8971, Information Regarding Beneficiaries Acquiring Property from a.
5. Decedent.
6. Estate tax payments of principal or interest due as a result of an election made under §6166, 6161, or 6163.
7. Gift and generation-skipping transfer tax payments and return filings on Form 709.
8. Forms 990-T and 990-PF.
9. Americans who live and work abroad.

The following are extended too:

1. An investment in an Opportunity Zone Fund due to be made during the 180-day period, described in §1400Z-2(a)(1)(A).
2. Tax Court petitions.
3. Claims for refund of tax.

Extension to Oct. 15, 2020

Taxpayers who need additional time to file may file the appropriate extension form by July 15, 2020, to obtain an extension to file their return— Oct. 15, 2020 for an individual.

You Ask, We Answer (Stimulus Rebate)



The Coronavirus has infected our life in many ways. There's the lack of physical freedom and for those of us less fortunate, anxiety surrounding our daily income. Everyone is thinking about the financial impact, and we wanted to break down a few things that you need to act on, and what you can ignore for the moment.

President Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act, (CARES Act), a \$2 trillion stimulus package to mitigate the impact of the Coronavirus pandemic.

The CARES Act includes stimulus payments of \$1,200 for each individual and \$500 for each dependent child, defined by the child tax credit rules as under age 17.

Who and How Much?

Individuals with adjusted gross income (AGI) up to \$75,000 a year are eligible for the full \$1,200 payment. The payment is reduced by \$5 for every \$100 in income above \$75,000. The payment amount is entirely phased out at an AGI of \$99,000.

Married filing joint couples with AGIs up to \$150,000 a year are eligible for a \$2,400 payment. The payment is reduced by \$5 for every \$100 in income above \$150,000. The payment amount is entirely phased out at an AGI of \$198,000 (if the taxpayers have no dependent children). Married couples also will receive an additional \$500 for every dependent child under 17.

Example - Married Filing Joint Couples with no children.

Keith and Norma are married filing joint. They have no dependent children. If they have AGI of \$150,000 or less, they are eligible for a \$2,400 payment. If they have AGI above \$150,000, their rebate will be reduced and finally phased out at an AGI of \$198,000.

Example - Married Filing Joint Couple with two children.

Chris and Pat are married filing joint. They have two dependent children under age 17. If they have AGI of \$150,000 or less, they are eligible for a \$3,400 payment. If they have AGI above \$150,000, their rebate will be reduced and finally phased out if their income hits the top of the threshold amount.

Head of household filers with AGIs up to \$112,500 a year are eligible for the full \$1,200 payment and an additional payment of \$500 for each dependent child under age 17. The payment is reduced by \$5 for every \$100 in income above \$112,500. Head of household taxpayers will also receive an additional \$500 per dependent child under age 17. With no eligible children, a head of household filer is phased out at AGI of \$137,000. With one eligible dependent child, a head of household filer is entirely phased out of the rebate payment at AGI of \$146,400.

Example. Head of Household- no children under 17. Heather has an 18-year-old high school senior living with her and qualifies as a head of household filer. If her AGI is \$100,000, Heather's payment is \$1,200. Her dependent child does not qualify her for the additional \$500 payment because the child is not under age 17. If Heather's dependent child is under age 17, her payment is \$1,700.

Phase out of the rebate. If your income is above the threshold amounts, a reduced payment will result. The reduced amount using your own income (AGI) can easily be calculated using the Washington Post calculator.

What if you are a US person residing abroad, are you still eligible to receive the rebate check?

The IRS has not distinguished between taxpayers in the US and abroad. As long as you file a 1040 (resident return) you should be eligible for the rebate.

What needs to be done to get the Stimulus Rebate?

Nothing. The IRS will deposit the calculated amount directly into your bank account, using the AGI and the bank information on your 2019 tax return. If your 2019 return hasn't been filed, the IRS will use the AGI and the bank information from your 2018 tax return. If there's no bank information on the return, the IRS will mail a check.

When Will the Payments Arrive?

The IRS says that a direct deposit should be in your bank account in about three weeks. Checks should start arriving in six to eight weeks.

Taxpayer Living outside country will receive refund within 12 to 16 weeks.

What if I have never used my automatic deposit facility on my returns in the past for security reasons, will that delay the receipt of the rebate from the IRS? Is there something I should do to get my direct deposit facility set up?

The direct deposit route would be the fastest. In the absence of this, the IRS will use physical mail to the address on record. If you have not filed your 2019 return yet and you feel your income will be under the threshold for 2019, file your 2019 return ASAP and ensure that you provide us with your direct deposit details when we prepare your returns.

2020 Tax Return

Technically the stimulus rebate is a 2020 refundable tax credit. The payment received in the next few weeks is an IRS advance. If you have less income in 2020 than in 2019 because of layoffs, reduced hours and closed businesses, and your rebate payment was reduced by the income threshold, you'll receive a credit for the difference on your 2020 return. If for some reason, you receive too much of an advanced payment, you do not have to pay back the excess.

What if I have already filed my 2019 return and my income in 2019 exceeds the threshold for the rebate but 2018 did not, can I request the IRS to use my 2018 numbers?

If you have filed the 2019 return, it is most likely that the IRS will use the latest numbers from the 2019 return. However, when you file your 2020 return based on actual numbers for 2020, the rebate amount will still be on your 2020 return as a refundable tax credit. So in essence you will still get benefit for it, the benefit will be deferred to when you file your 2020 return. You simply may not receive the cash now in the next few weeks.

What is Ventura Pranas doing for us to enable us to make the decision on whether I should file 2019 returns now or later (on or before the July 15th 2020) to best optimize my ability to receive the rebate?

We are reviewing all our clients' 2018 returns and evaluating AGIs that fell below the threshold. For those that do, and if you have not as yet filed your 2019 returns, we will reach out to you for your 2019 information to see if your income numbers exceed the thresholds. If they do, we might prepare your returns but ask that you defer filing until July 15th 2020. For those of you who are expecting large refunds, we might suggest that you file timely and access your refunds and defer availing the rebate until you file you 2020 returns as explained above.

Contact us if you have questions and stay safe.

Ventura Pranas acquires Nadadur Vardhan Inc.



VENTURA PRANAS



It is with great pleasure and gratitude that we announce to you the acquisition of a firm in Santa Monica, Nadadur Vardhan Inc. This accounting firm has a legacy – a practice since 1984 by an intelligent and creative Tax Attorney, Mr. Nadadur Vardhan, who has grown this firm in much the same niche as we already serve- Indo-US mix of clients. They have a set of clients who have been loyal to them for over several decades.

What this means to you: is that we now have a full fledged office at 2316 Hills Street, Santa Monica (CA), with a team that now offers our entire range of services, from bookkeeping to financial statement audits. Most importantly, having an office and a team in the US allows us to fulfill your needs in real time. You can call the office at (310) 452-8603.

The key members of the team who work out of this office are:

Meghna Sampat

Is a fellow member of the Institute of Chartered Accountants of India and an Enrolled Agent. She has been with the firm for 6 years. She can be reached at meghna@taxnad.com; msampat@venturapranas.com.

Charumathi Thangadurai

Is a fellow member of the Institute of Chartered Accountants of India and an Enrolled Agent. She is also a qualified Company secretary. She has been with the firm for 5 years. She can be reached at charu@taxnad.com; cthangadurai@venturapranas.com.

We have a support team in Rita Patel and Suchi Ramesh. Both of them manage front office and administrative functions. If you need meetings scheduled you will need to reach out to either of them at NVINC@taxnad.com. You can also email me at prabha@taxnad.com; psrinivasan@venturapranas.com.

We will be hosting an open house to meet the new clients in Los Angeles once we are well past the Covid-19 safety regulations. We intend circulating this date to you as well. If you are in LA and able to join us, please do. We look forward to meeting you.

Reach out to our Founder & Director, Prabha Srinivasan, in Los Angeles



Our co-founder and partner, Prabha Srinivasan is currently in Los Angeles. For those living in the US, she is in your time zone, so feel welcome and free to make use of this time to schedule a chat or video call with her.

To do this, simply email her scheduling team at ea@venturapranas.com and mention a gist of what you would like to specifically discuss with her and they will have potential times emailed to you for a meeting. Email Prabha directly at psrinivasan@venturapranas.com or send her a message via Whatsapp at +919940095879.

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