



HGSUW

News & Views

Hasselberg Grebe Snodgrass
Urban & Wentworth
Attorneys and Counselors

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WE ARE HERE FOR YOU

Throughout the Coronavirus Pandemic, we have assisted our employees, protected our clients, and supported our community.

Protection of our staff is very important to us. Legal services were deemed essential by the Governor. We stayed open, but with reduced and split shifts for office staff, and had most of our attorneys working remotely from home. Six-feet (6') distancing and reduced numbers of people have become the norm. We continue to fully support all employees, without interruption.

Equally important is protection of our clients and visitors. We have the benefit of having a whole floor, and have controlled access to our office. We have made visits to our clients while observing recommended social distancing protocols. In addition, one of the Governor's Executive Orders allowed signing important documents remotely, via Zoom or video conferencing, followed up by documenting the events and notarizing the signature. We are open and here to serve – responsibly and with your safety and protection in mind.

We have also stepped up and contributed to organizations on the front line of fighting the pandemic. We have made significant contributions to the COVID-19 funds of: OSF HealthCare Foundation, UnityPoint Health - Methodist Proctor Foundation, and Neighborhood House. In addition, we have continued our historical support of Community Foundation, Peoria Zoological Society and Sun Foundation.

We are honored to have earned your trust and respect. We stand ready to help you with your legal needs. At the time of printing, we are continuing our transition to re-opening our office. If you need to schedule a meeting with an attorney, please contact us at (309) 637-1400.

MEET OUR NEW ASSOCIATE!



Ryan W. Kitzhaber was born and raised in central Wisconsin. He attended the University of Wisconsin-Stevens Point earning his Bachelor of Science degree in Business Administration. After receiving his degree from UWSP in 2015, Ryan attended Northern Illinois University College of Law. While in law school, Ryan was a member of the Sports and Entertainment Law Society and American Constitution Society. He also gained experience in athletic compliance with the Huskie Athletic Compliance Office. Ryan received his Juris Doctorate from Northern Illinois University College of Law in August of 2018, and was admitted to the Illinois Bar in November of 2019.

Mr. Kitzhaber began his legal career with Hasselberg Grebe Snodgrass Urban & Wentworth in January of 2020. Prior to joining our firm, Ryan served as a Compliance Specialist at a digital ad agency in Evanston, Illinois. Outside of work, Ryan enjoys hunting, fishing, and spending time with friends and family.

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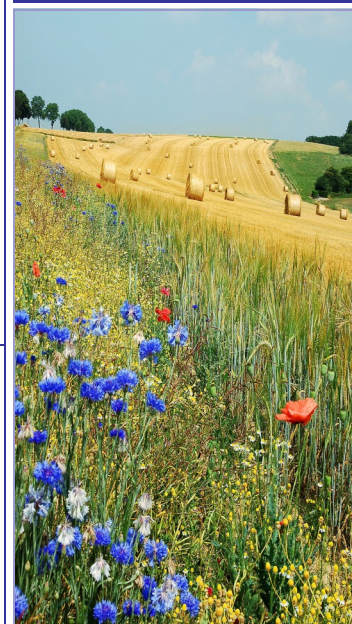
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CAPITAL PARTNERS



We are pleased to announce Kevin D. Day and Kyle M. Tompkins have been named capital partners of our law firm.

Kevin D. Day began his legal career with our firm after receiving his Juris Doctor from Northern Illinois University College of Law in 2013. His practice areas include workers' compensation, family law, municipal law, commercial litigation, personal injury, and estate planning. Mr. Day has successfully represented employees and employers in workers' compensation litigation at the Commission, circuit court, and appellate levels. He has also assisted clients with complex employment litigation before the Third District Appellate Court and Illinois Supreme Court. Mr. Day currently represents individual, municipal, and corporate clients throughout Central Illinois and maintains a growing family law practice. Since 2017, Mr. Day has been identified by his peers to be among the top two percent of Illinois lawyers age forty and under in the areas of workers' compensation defense and municipal law. Mr. Day served as President of the Sun Foundation for three years and continues to be involved as a board member. He also sits on the Neighborhood House executive board. He currently resides in Peoria with his wife, Meghan, son, Jack, and dog, Bagley.

Kyle M. Tompkins handles a multitude of transactional matters for the law firm. His practice currently focuses on Estates and Trusts, which includes the preparation of wills and trusts, advising clients with regard to estate planning strategies as well as assisting clients in the administration of estates and trusts after a loved one passes. Mr. Tompkins also handles matters concerning agricultural law, general corporate and business law, taxes (property, income, gift/estate), real estate transactions (both residential and commercial). He also stays busy developing his professional and community reputation as member of numerous committees within the Peoria County Bar Association and serves as a member of the Children's Home Association of Illinois Foundation Board of Directors as well as committees for other local not-for-profit organizations. Mr. Tompkins grew up in East Peoria and currently lives in Washington with his wife and two children.



STATUS OF LOCAL COURTS



For more than two months, access to courthouses within the Tenth Judicial Circuit, which includes Peoria, Tazewell, Marshall, Putnam, and Stark Counties, has been restricted for attorneys and members of the general public. During this time, attorneys and members of the general public were only permitted to enter the courthouse upon order of the Chief Judge or Presiding Judge of the respective county. Jury trials in all civil, juvenile, and/or criminal cases were also prohibited through the month of May.

Effective June 1, 2020, all courtrooms within the Tenth Circuit are reopened for limited court business, subject to the oversight of the Chief Judge or Presiding Judge of the respective county. Pursuant to Administrative Order 2020-13 issued by Chief Judge Paul Gilfillan, "In-person access to courthouses for courtroom business will be allowed on a limited basis, permitted only upon permission for an in-person hearing to be set by the judge of the respective courtrooms who have been directed to gradually allow essential and non-essential in-person matters, but no more than a few per hour or unit of time that is appropriate for the respective docket and court facility." Face coverings are required for public entry into and within the public spaces of the Peoria courthouse and within courtrooms if social distancing cannot be maintained. Health screenings may also be required for entry into courthouses. Although limited in-person proceedings began June 1st, Chief Judge Gilfillan emphasized that remote hearings are still expected to be conducted with increased frequency via phone and video conference. The full text of Administrative Order 2020-13 and other helpful information regarding courthouse operations within the Tenth Circuit can be found at www.10thcircuitcourtil.org.

If you have any questions or concerns regarding a current legal matter being handled by our office and/or the status of associated court proceedings, please contact our office immediately at (309) 637-1400.



AN OVERVIEW OF THE ILLINOIS STAY-AT-HOME ORDER & RE-OPENING PLAN

In response to the COVID-19 global pandemic, Illinois Governor J.B. Pritzker exercised his authority under the Illinois Emergency Management Agency Act on March 20, 2020 to limit Illinois residents to their home except to perform essential functions until April 7, 2020 pursuant to Executive Order 2020-10. The Governor initially extended his executive order to April 30, 2020 and further extended the order to May 31, 2020. On May 5, 2020, Governor Pritzker further introduced a phased re-opening on a regional basis. Under the phased re-opening plan, the Tri-County area is located within Region 2, and further details regarding this process are likely to come. Local leaders have also submitted an alternative phased re-opening plan for the “Heart of Illinois” region, which has not been approved by the State of Illinois.

COVID-19 Executive Order No. 8 (2020-10) went into effect at 5:00 pm on March 21, 2020. The Order directs Illinois residents to stay at home except for essential activities. Essential activities include activities necessary (1) for health and safety, (2) to obtain necessary supplies and services such as groceries, (3) to engage in outdoor activities in compliance with social distancing guidelines, (4) to perform work providing essential products and services, and (5) to care for others subject to certain restrictions. The Order further mandated that all non-essential business and operations cease except as to Minimum Basic Operations to maintain the value of inventory and preserve the condition of the physical facilities, as well as perform certain administrative functions and facilitate remote work for employees. Finally, the Order prohibits any gathering of 10 or more people as well as all non-essential travel consistent with current Center for Disease Control (CDC) guidelines. These restrictions are essentially described as Phase 1 (Rapid Spread) under Governor Pritzker’s plan.

COVID-19 Executive Order No. 8 was extended from April 7 to April 30, and then further extended with some modifications through May 29. Effective May 1, certain recreational activities resumed subject to social distancing guidelines. Some State parks re-opened in addition to golf courses. A change was also made to business operations throughout the State of Illinois. Some businesses such as greenhouses, garden centers, nurseries, as well as pet grooming services were reclassified as essential businesses and allowed to begin normal operations. Other retail business not previously classified as essential are allowed to resume operations related to telephone/online orders and coordinate outdoor pickup and delivery services. Hospitals and medical service providers can schedule certain elective, non-life-threatening surgeries. Schools have been closed for the remainder of the academic year. Finally, all Illinois residents are required to wear face coverings in all indoor public places, such as grocery stores. These modifications roll into Phase 2 (Flattening) of Governor Pritzker’s plan.

As of May 29, 2020, all regions have entered into Phase 3 (Recovery) under Governor Pritzker’s plan. Phase 3 triggers when the rate of infection of patients admitted to the hospital stabilizes or begins to decline. Under Phase 3, more operations and services will be allowed to re-open, such as manufacturing, offices, retail, and barbershops/salons, with limited capacity and other restrictions. Social gatherings of 10 or fewer people will be allowed to resume while face coverings will continue to be the norm. Governor Pritzker announced further modifications to Phase 3 on May 20 to open limited outdoor dining at restaurants following social distancing guidelines. Additional recreational activities such as camping and boating will also be allowed and all state parks will be re-opened. Guidance will also be provided to re-open child care facilities.

Phase 4 (Revitalization) begins when rates of infection continue to decline. Under Phase 4, social gathering restrictions will continue to loosen with gatherings of 50 or fewer people. With guidance issued by the Illinois Department of Public Health, bars, restaurants, child care and schools will re-open and non-essential travel will resume.

Finally, Phase 5 (Restored) recognizes the full re-opening of the economy following the development of a vaccine, a highly effective treatment, or the elimination of new cases for a sustained period. Conventions, festivals, and large events will be permitted, and life under the new normal of safety guidance and procedures will begin.

If you have any question about how the Stay-at-Home or the phased re-opening plans affect you, including State licensing matters, please contact our experienced governmental law attorneys at (309) 637-1400.



THE CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ("CARES") ACT INDIVIDUAL IMPACT HIGHLIGHTS (RETIREMENT PLANS, STUDENT LOANS)

Although the CARES Act is perhaps best known for the direct cash payments of \$1,200 to many Americans, the Act also includes other significant provisions, including changes to retirement benefits and federally backed student loans.

Included in the CARES Act is one provision that will provide some relief to owners and beneficiaries of IRAs and employer sponsored retirement plans such as 401k plans. Retirement plan account owners must generally make required minimum distributions each year upon reaching the age of 70½ (or 72 years old beginning on January 1, 2020). The amount the account holder must withdraw as required minimum distributions generally increases each year, and in some circumstances, the entire account must be withdrawn during a ten-year period.

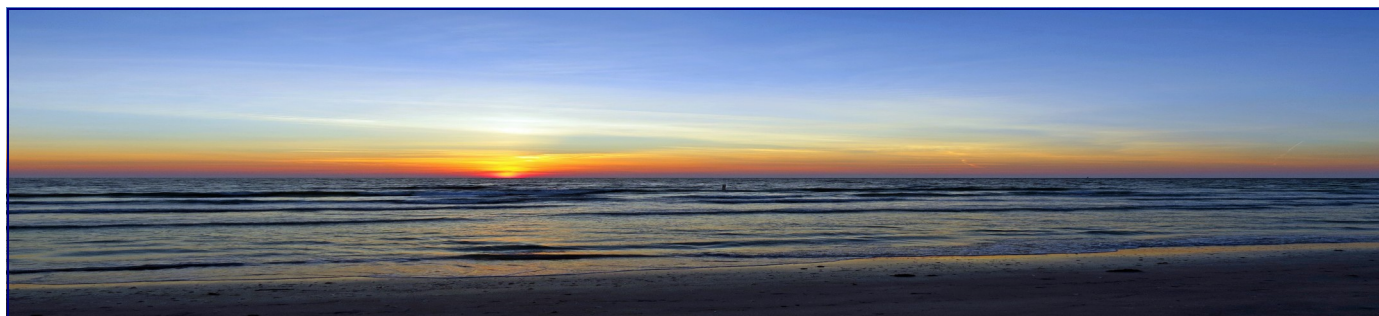
The IRS imposes large penalties (50% of the shortfall) for failure to make required minimum distributions. Account owners can of course withdraw in excess of the required minimum distribution, but with all such distributions, including the required minimum, it will generally be taxed as ordinary income.

Under the CARES Act, Congress waived the 2020 required minimum distribution. This means that account holders can skip the 2020 required minimum distribution without being subject to the IRS penalty. As the coronavirus has resulted in volatility to the investments of many Americans, the 2020 waiver of required minimum distributions will provide some flexibility to retirement account owners.

Additionally, the CARES Act allows specific retirement account owners to make early withdrawals without being subject to the standard 10% penalty. If a retirement account owner makes a withdrawal prior to reaching age 59½, then generally the account owner is subject to a 10% penalty and the withdrawal is taxed at ordinary income tax rates. The CARES Act permits retirement account owners to avoid the 10% penalty if the account owner experienced certain types of adverse financial impacts due to the coronavirus or has been diagnosed with the coronavirus (or has had a spouse or dependent diagnosed). Such withdrawals are subject to a \$100,000 cap and are taxed at ordinary income tax rates, but may be elected to be taxed ratably over a 3-year period. Distributions may also be repaid over a 3-year period and any such repaid amount will be treated as a rollover and not subject to federal income tax.

Student loan borrowers also see some relief under the CARES Act. The CARES Act provides that most types of federally held student loans are subject to an automatic suspension of principal payments and interest through September 30, 2020 although borrowers may choose to continue to make payments without penalty if they choose to do so. Moreover, interest rates on all federally held student loans are 0% until September 30, 2020. However, certain types of student loans, including privately held loans, are not covered under the CARES Act, and borrowers should contact their loan servicer to determine whether their loans qualify under the Act.

These are but a few provisions of the sweeping \$2 trillion stimulus package, and more may be on the way subject to further Congressional action. If you have any questions regarding estate planning, please contact James R. Grebe, David B. Wiest, William P. Streeter or Kyle M. Tompkins at (309) 637-1400.





COVID-19 INCOME TAX UPDATE

Amid the current COVID-19 pandemic, taxpayers have been granted a temporary reprieve from filing and paying taxes. Based upon various governmental actions and regulations, the deadline for filing income tax returns and paying any tax liabilities have been extended to July 15, 2020. The extension is automatic and applies to both Federal and Illinois income tax returns and taxes. Quarterly Estimated tax payments for federal 2020 taxes have also been extended to July 15, 2020. Federal 2020 estimated tax payments due April 15 and June 15, have also been extended to July 15, but Illinois 2020 estimated tax payments have not been extended. The first Illinois quarterly estimated tax payments were due on April 15, 2020 and the second quarterly installment is due June 15, 2020 for those Illinois taxpayers required to pay such tax to avoid penalties.

Other federal tax changes have been made as a result of the CARES Act in relation to charitable deductions. Specifically, although rarely met, Congress increased the limitation for charitable deductions to 100% of the taxpayer's Adjusted Gross Income (AGI), which is the taxpayer's total income after any above-the-line deductions but before a standard deduction or any itemized deductions are taken. However, the limitation increase only applies to direct contributions to tax exempt 501(c)(3) charitable organizations, rather than other charitable vehicles such as donor advised funds. In response to the COVID-19 pandemic and the resulting economic impact, Congress' goal was to facilitate the transfer of funds for immediate charitable purposes to support those organizations in the greatest need. Additionally, for taxpayers that do not qualify for itemized deductions, Congress is allowing taxpayers to take a \$300.00 above-the-line deduction for charitable contributions in 2020.

If you have any questions regarding the impact of the COVID-19 pandemic on income taxes, or about taxes in general, please contact our experienced tax attorneys, James R. Grebe, David B. Wiest or Kyle M. Tompkins at (309) 637-1400.

STATE AND LOCAL TAX (SALT) DEDUCTION UPDATE



In 2018, the largest federal tax reform in recent memory went into effect and the first wave of tax returns under the new system have now been filed. Although the reform offered taxpayers various benefits and drawbacks depending on individual circumstances, one of the most widely discussed provisions of the Tax Cuts & Jobs Act was the \$10,000.00 limitation on the State and Local Tax ("SALT"), deduction. In Illinois, and other states with high property taxes, it was widely anticipated that residents would feel at least some impact from the SALT cap, and it also likely sent many taxpayer to their advisors to seek counsel as to strategies to potentially mitigate the increased burden.

One such solution to the SALT cap that may have been proposed by some tax professionals was to offset an adverse impact by making contributions in favor of certain charitable organizations for which the State of Illinois offered tax credits. For instance, Illinois offers a state tax credit for donations to non-profit scholarship granting organizations that award scholarships to eligible students from low income households. In theory, the charitable contribution would be deductible on federal returns for taxpayers who itemize, but it would also benefit the taxpayer as a state tax payment not subject to SALT cap. Alas, the IRS was not fooled and issued regulations addressing such tax planning strategies. Under the final regulations issued by the IRS, itemizing taxpayers must reduce any charitable contribution deductions by the amount of any state tax credit they receive for such contributions. Essentially, the IRS is relying on the long held principle of tax law that only the net value of a donation can be deducted when receiving a valuable benefit in exchange for the contribution. In this case, the State tax credit is a valuable benefit that is not deductible.

If you have any questions concerning income or other taxes, please contact our experienced tax law attorneys, James R. Grebe, David B. Wiest or Kyle M. Tompkins at (309) 637-1400.

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Super Lawyers



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