BCS CLIENTTELL

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65 YEARS *and Counting*

A Legacy 65 Years in the Making

BY KRISTEN JONES

As we celebrate 65 years at BCS, we're especially grateful for the people who have shaped our story along the way. Twenty members of our team (pictured to the right) have each been with us for over two decades—a reflection of relationships built on trust, consistency, and shared purpose. It's the kind of place where experience runs deep, commitment lasts, and the story continues to grow with each new person who joins the team. Our legacy is still being built, and there's space for others to become part of what's next.

Notices from the IRS Relating to Penalties and Deposit Information

BY CELESTE LOUDY

Many taxpayers who were zoned in the federally declared disaster area related to Hurricane Helene may be receiving notices related to estimated tax penalties and refund delivery (Notices CP30A and CP53E) as it relates to their 2025 tax return.

Notice of Adjustment to Estimated Tax Penalties – Notice CP30A

As part of disaster relief following Hurricane Helene, the Internal Revenue Service (IRS) postponed certain filing and payment deadlines for affected taxpayers. For those taxpayers in Tennessee the extended deadline was November 3rd, 2025. Estimated tax payments otherwise due during the postponement period are generally treated as timely if paid by the extended deadline. Essentially, taxpayers will not be subject to the traditional estimated tax penalties for installments due during that relief period, if the payments were made by the extended due date. If taxpayers filed their 2025 tax return with penalties assessed that should not apply because of the postponement, it may result in an overpayment of estimated tax penalties. The IRS may issue Notice CP30A to notify taxpayers of adjustments to estimated tax penalties that may lead to a potential refund.

Note that some taxpayers may have opted to file their returns without penalties being assessed. If this is the case, taxpayers may receive Notice CP30. This notice informs taxpayers that penalties remain due for periods not covered by the postponement, or because payment was not made by the IRS extended due dates. The taxpayer will need to pay the amount due in these cases.

Notice of Failure to Direct Deposit – Notice CP53E

Taxpayers are also receiving notices about the method in which refunds are being distributed. In accordance with Executive Order 14247, the IRS began phasing out paper checks beginning in September 2025. The IRS cited this as an effort to speed up refunds, cut costs, and protect taxpayers from potentially stolen checks. If no direct deposit information was included with the filing of a taxpayer's 2025 tax return, the IRS is requesting this information through Notice CP53E.

Notice CP53E asks taxpayers to provide bank account information or update invalid information that was rejected for direct deposit. Taxpayers may do this by visiting the IRS website or scanning the QR code included in the notice. Taxpayers will have 30 days to update their information through one of these options, otherwise the taxpayer will receive a paper check. Note that paper checks will be delayed as the IRS continues to phase out this method of payment.

Changes continue to be made in the wake of disasters like Hurricane Helene. Please consult your tax professional for more information or how these changes may affect your 2025 refund and penalties due. ◆

QuickBooks Payroll Tax Settings Update

BY STEPHEN BEVINS & TERESA ADAMS

QuickBooks is changing their automated payroll tax settings.

What exactly is QuickBooks changing?

Starting July 1, 2026, QuickBooks Online Payroll will pay and file all payroll taxes that are already set up automatically. No longer will you be able to manually submit payments or filings for those taxes in the Payroll Tax Center, and the option to turn off automated taxes will be removed from payroll settings. QuickBooks, to save the time you spend tracking, paying, and filing taxes manually, manages your tax payments and filings for you. QuickBooks is also updating the Payroll section of the QuickBooks Terms of Service ("Terms"). You agree to the updated Terms by continuing to use QuickBooks Payroll.

What action do you need to take?

To ensure no disruptions to your payroll, your tax setup needs to be completed by June 30, 2026. To do this, go to Payroll Overview and finish the to-do items for tax setup.

What This Means for Employers:

While QuickBooks is positioning this update as a simplification of payroll tax compliance, employers should be aware of several important operational changes.

First, payroll tax setup must be completed by June 30, 2026. If the required tax setup steps are not completed, QuickBooks may prevent payroll from being processed until the necessary information and authorizations have been provided.

Second, beginning July 1, 2026, QuickBooks will automatically withdraw payroll tax funds from the bank account on file when payroll is processed or whenever payroll tax liabilities increase. Businesses that are accustomed to making monthly or semiweekly payroll tax deposits should understand that tax funds may be withdrawn earlier than expected under the automated process.

This change may accelerate the timing of cash outflows and could impact cash flow planning, particularly for employers who have historically relied on the time between payroll processing and tax deposit deadlines.

Finally, once automated tax payments and filings are enabled, employers will no longer be able to manually submit payroll tax payments or payroll tax filings through QuickBooks Payroll. QuickBooks will assume responsibility for supported tax payments and filings after setup has been completed.

Additional Considerations:

- Verify that the bank account listed in QuickBooks Payroll is accurate and has sufficient funds available for automatic tax withdrawals.
- Review any unpaid payroll tax liabilities or filing requirements for periods before July 1, 2026, as these remain the employer's responsibility.

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- Be aware that payroll tax funds may be withdrawn when payroll is processed, even if your business has historically followed a monthly or semiweekly tax deposit schedule.
- Complete the required setup and acknowledgement process before June 30, 2026 to avoid disruptions in payroll processing.

QuickBooks updating the payroll tax settings reduces the need to track deadlines and complete filings manually, streamlining payroll tax management. With an increase in payroll automation, you can spend more time focusing on business priorities and less time on administrative tasks.

If you are unsure whether your payroll tax setup is complete or how this change may affect your business, please contact our office for assistance. ◆

Things to Know About the QBO Payroll Tax Update

- Complete tax setup by June 30, 2026.
- Payroll processing may be interrupted if setup is incomplete.
- QuickBooks will automatically withdraw payroll tax funds from your bank account.
- Tax funds may be withdrawn when payroll is processed, regardless of your normal deposit schedule.
- Manual payroll tax payments and return filings through QuickBooks will no longer be available.
- Prior unpaid payroll taxes remain your responsibility.
- Review banking information and maintain sufficient funds for automatic withdrawals.

Are You All-In on AI?

BY KIM BUCKLES

All around us, the buzz of AI has all but taken over. We hear it, we see it, we feel it. Society has self-divided into three camps: those who embrace it, those who fear it, and those who are still unsure where they stand.

AI, or artificial intelligence, refers to the creation of computer systems that can perform tasks that normally require human intelligence, such as learning, problem-solving, and decision-making.

Approximately 66% of people use AI regularly and 77% use AI-powered devices or services. AI has been incorporated into nearly 1300 FDA-approved medical devices, over half of students in the US utilize generative AI, self-driving cars are no longer experimental, online customer service is driven by chat bots, and many fast-food chains have fused conversational AI into their drive-through ordering platforms. With mass-integration, accepting AI seems largely unavoidable, personally and in the workplace.

AI in the Workforce:

In 2025, 88% of organizations report that they use AI in at least one business function, which is up from 78% in 2024. Automated routine tasks, improved decision-making, and enhanced employee & customer experiences have been focal points of utilizing tools such as a smart calendar or task manager, an email assistant program, data visualization and predictive analysis, and writing assistants. Many workplaces have benefited with increased productivity, reduced human error, tailored customer service, enhanced communication and collaboration, and personalized learning and development. However, as with any transition, a business must balance the benefits with the challenges. Transition and adoption, evolution of workplace autonomy, data protection and confidentiality concerns, information quality assurance, and AI literacy and skill development have impacted the speed at which organizations are willing to take the leap into AI in many facets of operations. Perceived job insecurities have driven many employees to resist adoption and transition into many capabilities within their workplaces.

AI in Accounting:

In the accounting world, we have seen substantial growth in the availability of AI tools to assist in research, streamlined data entry, identifying business opportunities, strengthening customer relationships, and improving retention and recruiting processes.

Specifically in performing bookkeeping tasks, AI can be utilized in automated data entry, transaction categorization, reconciliations, real-time insights, and error detection. These utilizations provide rapid return in time saved, reduction in human error, and consistency in treatment of information. This could be beneficial as accounting and bookkeeping face decreases in available workforce replacements as existing staff members reach retirement age.

Risks and Mitigation:

Many hesitant to adopt various forms of AI site safety and security concerns, which has legitimate merit. Any adopted AI should be thoroughly vetted prior to consideration to ensure data is kept safe.

AI is a rising contributor to the cause of those committing fraud. There has been an 89% increase in cyber attacks by AI-assisted adversaries and the time that a system must respond defensively to prevent significant harm during the intrusion is sub-30 minutes for the first time. Fraudsters utilizing AI can infiltrate into systems to steal, alter, or destroy data quicker and more thoroughly than ever before. Deepfake impersonation, social engineering, website impersonation, phishing, and cloud targeting are threats individuals and businesses see emerging as fraud loss-leaders, and incorporating AI into the attack makes threats more difficult to detect.

One of the leading ways found to combat AI-driven fraud is implementing AI-driven defense mechanisms. AI can efficiently and effectively secure an entire ecosystem, eliminate cross-domain visibility gaps, defend the cloud, and prioritize vulnerabilities. AI boasts automated anomaly detection, behavioral analysis, natural language processing, and continuous learning to maximize protection capabilities.

Looking Forward:

Experts in the field have a very positive outlook for capabilities of AI and the long-term future of its incorporation; the public remains skeptical. With workplace integration, job security concerns cause hesitancy, but leaders in business continue to see potential growth. A moderate level of job loss is expected, but economists and technology forecasters expect the movement to lend itself toward shifting roles or positions, which may seem like a scarier option for those tenured employees hesitant to re-evaluate their entire career path. As to the ceiling where AI may stop, no reliable prediction can be made at this time, as the landscape and atmosphere are rapidly evolving. However, avoiding AI completely looks to be impossible and the future will likely rely on willingness to embrace the wave of change that is already in motion. ◆

Growing Forward *with* Harold Horne

In May, we kicked off the Community Leadership Series with Harold Horne, and there are still two more opportunities to be part of it. Our first session on *Leading Change* set the tone with practical insight and meaningful conversation, equipping attendees to navigate change with confidence and purpose. This series is designed to invest in both personal growth and the strength of our community, because when individuals grow as leaders, the impact extends far beyond the workplace. Coming soon, we'll continue with sessions on *Essentialism* and *The Art of Listening*, each focused on helping us lead more intentionally, communicate more effectively, and build stronger connections. These sessions are free, public lunch and learns, and everyone is welcome to join, learn, and connect.

Community Leadership Series Upcoming Events

You're invited! We look forward to you joining us for two more leadership Lunch and Learns this year. Read more about each session below.

AUG. 18

Essentialism: Doing Less, But Better

Based on Greg McKeown's Essentialism, this session focuses on cutting through the noise to focus on what truly matters. Together we'll walk through simple frameworks that help you prioritize effectively, eliminate the non-essential, and concentrate your time and energy where it counts most. This highly practical, discussion-driven lunch and learn includes hands-on exercises to help you identify your own "essential few." You'll walk away with a clear takeaway you can start using immediately to work smarter, not just harder.

NOV. 17

The Art of Listening

Great leaders and professionals aren't just good communicators—they're exceptional listeners. In this engaging lunch and learn, we'll break down the surprisingly simple skills that transform everyday conversations into meaningful connections and better outcomes. Through interactive activities and real-world scenarios, you'll practice practical listening techniques that improve collaboration, build trust, and reduce misunderstandings. Most importantly, you'll leave with specific listening strategies you can put into practice the very same day.

11:30 a.m. - 1:30 p.m. | 541 Sid Martin Road, Johnson City, TN 37615

REGISTER NOW

Scan the QR code to the right

or

Visit **bcscpa.com/events** to register

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United Way Week of Caring

Our team participated in four projects throughout the annual Week of Caring. We helped organize and inventory at Isaiah House, packed 2,800 meals at Second Harvest, cleaned up the areas outside of the raptor and wolf habitats at Bays Mountain, and spruced up the landscaping at Coalition for Kids.