

Did your Business or Non-Profit receive the Employee Retention Tax Credit?



If you're not familiar with this Tax Credit, it is worth looking into. This is a payroll tax credit that provides up to \$26,000 per W2 employee. A business with 10 employees could potentially get \$260,000 if their business has been negatively impacted by the COVID Government Orders. A business with 100 employees, could potentially get \$2,600,000 of these payroll tax credits refunded to them in CASH!

The objective of the Tax Credit program is to incentivize the hiring and retention of current employees during the economic downturn from COVID. This funding is included in the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020, and the American Rescue Plan Act (ARPA) passed in 2021.

Summary of the details regarding the Employee Retention Tax Credit (ERTC) for Employers

Legislation Purpose - It is meant to help businesses and tax-exempt organizations keep the doors open and maintain jobs, or grow and expand jobs during these tough economic times

Who Qualifies - Businesses and Non-profit entities

Funding Amount - Eighty Billion Dollars of Funding

Term - Retroactive back to March of 2020

PPP - Exclusive of PPP Funding

Qualifications - Businesses or Non-Profits that have lost more than 20% in revenue from 2019 revenues, OR the business operations have been impacted negatively by the COVID rules passed by the various Government entities

Spending Restrictions - None

Credit Amount - Depending on the number of employees and the payroll size, an Employer can expect to receive a substantial amount of their Labor Cost for the previous year refunded back to them in the form of refundable payroll tax credits

Taxability - Tax Credits are credits and therefore not taxable income to the Non-Profit, Business, or Pass-Through Corporate Entity. However, Labor Tax Deductions on your Corporate Tax Returns will be reduced by the amount of the Tax Credit

Results - We are processing over \$1 billion in Employee Retention Tax Credits for our Clients every month

If you received the PPP Funding, you know how beneficial these Government Incentive Programs are.

The Employee Retention Tax Credit (ERTC) is the new, revised version of PPP, but in a different form. It is an incredible opportunity to receive funding for your business with no restrictions on the use of the funds.



If your business has been negatively impacted by the COVID Government Orders, you could potentially be eligible for a payroll tax credit.



I would be happy to assist you in determining your Company's eligibility to receive these Payroll Tax Credits. If you have any questions, please email me at **MarkReese@ReeseCPAFirm.com**.