

UP TO
\$26,000 PER EMPLOYEE
FOR 2020/2021 COMBINED

ERC

EMPLOYEE RETENTION CREDIT

A CREDIT THAT, FOR ELIGIBLE BUSINESSES,
PROVIDES A VERY SIGNIFICANT CASH BENEFIT

The Employee Retention Credit (ERC) is a fiscal incentive created by Congress in the form of a payroll tax credit. The intent of the credit is to combat the negative impact on the economy caused by the COVID-19 Pandemic. More specifically, it is meant to help employers retain their employees.

The potential maximum combined credit for 2020 and 2021 is \$26,000 per employee. Receiving a Paycheck Protection Program (PPP) loan does not instantly exclude you from qualifying.

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WAYS TO QUALIFY FOR THE CREDIT:

WAS YOUR BUSINESS IMPACTED BY A GOVERNMENT MANDATE DURING 2020 OR 2021?

YES

Businesses impacted by closures and restrictions on hours or capacity automatically qualify. This provision also extends to suppliers of a business. If a business can prove its operations were impacted as a result of the inability to obtain goods or materials from its suppliers, it may qualify for the ERC. If any aspect of your business was impacted by a government mandate, please reach out to us so that we may determine if you qualify.

DID YOUR BUSINESS HAVE A REDUCTION IN GROSS RECEIPTS OF AT LEAST 20% FOR ANY QUARTER IN 2021 OR 50% IN 2020 WHEN COMPARED TO THE SAME QUARTER IN 2019?

YES

The second way to qualify is based on a significant reduction of gross receipts. This is measured on a quarter by quarter basis. To qualify for a quarter in 2021, you need at least a 20% reduction of gross receipts compared to the same quarter in 2019. For 2020, you need at least a 50% reduction.

Strategic Tax Planning, LLC is a Maryland licensed CPA firm (license #44976) with professionals around the country. This is an advertisement for services to claim a refund for the Employee Retention Tax Credit.