



## **Taxpayer Certainty and Disaster Relief Act of 2019**

It has been a long time coming but finally the Taxpayer Certainty and Disaster Relief Act of 2019 has been passed into law. On December 20, 2019, [HR 1865](#) was signed by President Trump and became Public Law 116-94 (commonly known as the "Further Consolidated Appropriations Act, 2020" and the "Taxpayer Certainty and Disaster Relief Act of 2019"). Among many other tax credits extended by this Act, the Act creates a tax credit for businesses located in any "qualified disaster area" that experienced inoperability as a result of the disaster. The potential credit would be 40% of up to \$6,000 in wages paid to each employee (a maximum of \$2,400 per employee) during periods of inoperability, and until the business is able to resume significant operations. The Act extends the tax credits for both 2018 and 2019 tax years.

The requirements for the new credit are nearly identical to the hurricane Harvey, Irma and Maria credits created by the Disaster Tax Relief and Airport and Airway Extension Act of 2017 and the Retention Credit for Employers in California Wildfire Disaster Zones created by the Bipartisan Budget Act of 2018. Additionally, as with those credits, this Bill would incorporate the rules of IRC Section 280C(a) such that employers who would receive the credit must reduce their deduction for salaries and wages by the amount of the credit.

As with previous disaster related tax credits, employee wages eligible for the Taxpayer Certainty and Disaster Relief Act of 2019 tax credits would not be eligible if the Work Opportunity Tax Credit was already taken; therefore, it is important to work with your tax advisor or legal counsel to ensure that all eligible wages are allocated in the most lucrative way.

We would be happy to answer any questions you may have on this Act or any other incentive programs.

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