

CARES Act Government Assistance Programs

To help limit the economic damage caused by the coronavirus pandemic and support American families, workers, and small businesses, the U.S. Congress passed a \$2.2 trillion stimulus bill called the Coronavirus Aid, Relief, and Economic Security Act (CARES). The CARES Act created a range of relief funds to support businesses and employees. While the deadline to file for many of these programs has passed, there are still opportunities for small businesses (operating with fewer than 500 employees) impacted by COVID to receive government assistance.

Employee Retention Credit (ERC) ends in April 2025

The Employee Retention Credit is a refundable payroll tax credit created under the CARES Act that rewards businesses by refunding up to \$26,000 for each W-2 employee that they kept on their payroll during the pandemic.

Emergency Capital Investment Program (ECIP) ended Jan 2023

The Emergency Capital Investment Program allowed banking institutions to offer loans and grants to certified Community Development Financial Institutions (CDFIs) or Minority Depository Institutions (MDIs) that had been disproportionately impacted by the economic effects of COVID. The program, available to low and moderate-income community financial institutions, announced a second application round on December 2, 2022. Applications were due January 31, 2023.

The Paycheck Protection Program (PPP) ended May 2021

The Paycheck Protection Program provided small businesses with funds to pay up to 8 weeks of payroll costs, including benefits. This program ended on May 31, 2021. There is a limited time for businesses to file for PPP loan forgiveness, depending on the date of maturity of the loan. Luckily, businesses that took advantage of this program are still eligible to file for the ERC.

COVID-19 Economic Injury Disaster Loan (EIDL) - ended

This low-interest loan provided help to businesses experiencing revenue loss, with some businesses qualifying for EIDL Advance funds which did not need to be repaid.

Loans and Grants - ended

Programs like the Shuttered Venues Grant and Restaurant Revitalization Fund helped businesses in specific industries that were negatively impacted by COVID.

Currently, the Employee Retention Credit provides a final opportunity for many businesses impacted by the pandemic to benefit from government assistance.

What Is the Employee Retention Credit (ERC)?

The ERC is a refundable payroll tax credit, paid as a check mailed by the IRS. This credit rewards businesses by refunding up to \$26,000 for each W-2 employee they kept on payroll during the pandemic.

Today, there are millions of unclaimed dollars available, and nearly any company impacted by the pandemic is eligible to claim their credit.

Companies with fewer than 500 employees may qualify for the ERC.

How is the ERC amount calculated?

To apply for this payroll tax relief, companies file a payroll tax amendment by submitting the IRS Form 941-X for every quarter they retained employees in 2020 and 2021. Many companies are eligible for a refund of \$5,000 for each employee that was retained in 2020 and up to \$7000 per employee for the first three quarters of 2021 (up to \$21,000). The claim amount is calculated on a quarterly basis. So, while your company may qualify for the ERC for one quarter, it may not necessarily qualify for the next. In total, your business may be able to receive up to \$26,000 per employee kept on payroll throughout those two years.

Small/Medium Businesses Across Many Industries May Qualify

Businesses of all sizes across almost every industry, including startups, nonprofits, corporations, LLCs, and small businesses can qualify for Employee Retention Credit.

While the rules for 2020 differ from 2021, two primary criteria qualify businesses for the ERC tax credit:

First, a business must have employed less than a certain threshold of full-time employees.

Second, the business must have either faced an operational disruption mandated by government order or endured a considerable loss of income during the pandemic.

Another complexity of ERC qualification is that your business didn't

have to retain an employee throughout the entire pandemic, or even a complete year. The ERC, and payroll taxes in general, are submitted every quarter, meaning that any wages paid during that quarter, up to the wage cap, can be declared as eligible wages.

The ERC tax credit is complicated. The IRS follows strict regulations to determine who can qualify:

If your company received loans from the Paycheck Protection Program (PPP), those wages will not count toward your ERC refund. Only wages paid to W-2 employees will qualify.

Wages paid to the majority of business owners and their family members will be removed from your ERC assessment.

The qualification rules for the ERC and how much money a business can receive are different for the years 2020 and 2021.

The ERC qualifications for the 2021 tax year are more accessible than 2020, meaning many businesses may qualify for a sizable ERC refund for 2021, but not receive anything for 2020.

ERC Requirements for 2020 Maximum Headcount

To qualify for refunds in 2020, your business must have had 100 or fewer full-time W-2 employees in 2019. Even if your company exceeded the 100-employee threshold in 2020 or beyond, you would still qualify based on your employee count from 2019. Part-time employees working less than an average of 130 hours per month do not count towards this cap.

Business Impact

There are two different avenues your company can take to qualify:

Option 1:

Your business must have experienced a 50% loss of income from a single quarter of 2019 to the corresponding quarter of 2020. Your business does not have to qualify based on the total yearly income. If you only saw a 50% decrease in one quarter (compared to the same quarter in 2019), you can qualify for an ERC refund on employee wages you paid during that quarter.

Option 2:

Your business must have been significantly affected by pandemic-related government orders, such as shutdown mandates, work-from-home orders, or customer capacity limits. This requires a detailed impact

study by an ERC specialist.

ERC Requirements for 2021 Maximum Headcount

Your business must have had 500 or fewer full-time W-2 employees in 2019. Even if your company exceeded the 500-employee threshold in 2021 or beyond, you would still qualify based on your employee count from 2019. Part-time employees working less than an average of 130 hours per month do not count towards this cap.

Business Impact

Option 1:

Your business must have experienced a 20% loss of income from a single quarter of 2019 to the corresponding quarter of 2021. Your business does not have to qualify based on the total yearly income. If you only saw a 20% decrease in one quarter (compared to the same quarter in 2019), you can qualify for an ERC refund on employee wages you paid during that quarter.

Option 2:

Your business must have been nominally disrupted by modifications caused by Covid Related Orders such as shutdown mandates, work-from-home orders, or customer capacity limits. This requires a detailed impact study by an ERC specialist.

The ERC eligibility becomes quite complicated rather quickly, which is why we recommend seeking professional assistance from a reputable tax credit provider.

ERTC Express's Offer :

Leverage ERTC Express's expertise to file your ERC tax credit. With over 15 years of experience in the consulting business, and a reputation for its accuracy, efficiency, and professionalism, ERTC Express performs due diligence double-check and provides an audit protection document to each of its clients, ensuring your business meets the IRS's official ERC qualifications. We maximize your ERC refund while staying within the law.

The Deadline for ERC Submission is 2024/25 but Could End Sooner:

While you can apply for an ERC tax credit through until April 15, 2025, the U.S. Congress can choose to end this special tax refund at any time.

That's why it's critical to file your amended payroll tax return claiming the ERC as soon as possible.

Businesses can retroactively claim an ERC refund check on wages paid during 2020 until April 15, 2024. After which you will be unable to claim \$5,000 per W-2 employee for this year.

Your last chance to submit an ERC claim would be April 15, 2025 at which point you can only claim credits for wages paid during the first three quarters of 2021.

You Can Receive Up To \$26,000 Per Employee

In total, your business can receive up to \$26,000 per W-2 employee from the IRS through the ERC tax refund.

A logistics company from Chicago, Illinois, with 85 employees, received a \$1.6 million ERC refund. An electrical contractor from Bryan, Texas, with 130 employees, qualified for a \$2.6 million ERC refund check.

Not all companies will qualify for the full amount, as the qualifications differ from 2020 to 2021.

- For 2020, the Employee Retention Credit (ERC) can refund your business up to 50% of the first \$10,000 in qualified wages paid to each employee. This means, your business can receive up to \$5,000 back from the IRS per employee.

- For 2021, the ERC is even more generous. Your company can receive 70% of the first \$10,000 in qualified wages paid to employees per quarter, meaning you can get up to \$7,000 back per employee for each of the first three quarters of 2021.

For example, if your business had 65 employees in 2021, you could receive up to \$455,000 back from the IRS.

Calculating your ERC credit amount should not be taken lightly. Over-calculating your ERC refund can result in tax penalties, while under-calculating it leaves your money on the table.

What type of payroll wages qualify for the ERC?

If the payroll wages were subject to federal payroll taxes, they qualify for the Employee Retention Credit. In other words, only wages paid to W-2 employees qualify. Wages paid to the majority of business owners and their family members and wages paid using PPP funds do not qualify. You can claim wages paid to full-time or part-time employees. Eligible wages are capped at \$10,000 per individual for the year. You can recover 50% of that for 2020, and 70% for 2021.

How Is the ERC Credit Paid?

The ERC credit is a tax refund paid to businesses through a paper check mailed from the IRS. It is not a future credit against the next quarter's tax liabilities it's cash in your company's pocket. Business owners are free to use their ERC refund check as they please, to pay business expenses, invest in their company's future, or simply take it home as profit.

ERTC Express's Offer

Due to IRS backlogs, it currently takes six to nine months to receive the ERC refund. If your company cannot afford to wait that long for your ERC money, ERTC Express's Omega Funding Solutions (OFS) can provide a business bridge loan against your ERC credit, up to 65% LTV of your expected refund amount. All you need to qualify for an OFS bridge loan is a valid ERC claim in process at the IRS.

Common Questions About ERC Funding:

Are there any restrictions on how you spend the ERC refund?

No, there are no legal requirements regarding how you spend your ERC refund check. The ERC is a tax refund not a government loan or grant. This means that business owners are free to invest the ERC money to expand their company, pay business expenses and debts, or simply take the money home as a profit. The IRS cannot penalize your business for spending its ERC money in a particular way it's your money to spend as you please.

Is the ERC a loan or grant?

The ERC is neither a loan nor a grant. It's a refundable tax credit the IRS refunds you a percentage of the cash you have already paid in payroll taxes. The ERC differs from PPP because you do not have to pay back any amount of your ERC refund, nor apply to have it forgiven. Once you receive the refund check, you are free to spend it how you see fit.

Is the ERC refund taxable?

Your ERC refund does count as taxable income it's just like any other income for your business. You will have to pay business income taxes on your ERC refund check at the end of the quarter.

If a business filed an income tax return deducting qualified wages before it filed an employment tax return claiming the credit, the

business should file an amended income tax return to correct any overstated wage deduction. You can read more on this IRS page.

How long does it take to receive the ERC refund check?

Due to a backlog at the Internal Revenue Service (IRS), it typically takes about six to nine months to receive the ERC refund check. There are only three IRS submission processing centers that serve the entire nation, leading to long wait times for almost any tax credit claim. That's why it's critical to have tax credit experts on your side who can quickly process your claim. The sooner your 941-X is submitted to the IRS, the sooner you can receive your ERC refund check.

As your ERC service provider, ERTC Express can get your amended payroll tax return submitted to the IRS within 30 days of onboarding as our client. We can typically move as fast as you can provide the relevant documents and information.

Can you still apply for the Employee Retention Credit in 2023?

Yes, you can still apply for the ERC in up until April 15, of 2025 by submitting an amended payroll tax return claiming the Employee Retention Credit for the specific quarters in which your company qualifies. You must file your amended 941-X tax return within three years of the date you filed your original 941 payroll tax document. If you do not file by April 15 2024, you will no longer be able to claim ERC refunds you would have qualified for in 2020.

How Do I Check My ERC Refund Status?

You can call the IRS and check on the status of your refund. They will provide a general update if they have received the form. However, the IRS generally has long hold times due to a shortage of phone operators. We recommend checking the status of your ERC claim online. If your ERC provider has a CAF number, you can log into the IRS portal and check your ERC refund status.

What Is a CAF Number?

A CAF number is a unique nine-digit identification number that the IRS uses to keep track of authorized third-party tax service providers. It stands for Centralized Authorization File, and all legitimate tax servicers must have a CAF number in order to submit legal documents to the IRS on your company's behalf. Before you choose an ERC provider, ask if they have an authentic CAF number. This ensures they are authorized by the IRS to provide tax services.

How Do You Apply for the Employee Retention Credit (ERC)?

Applying for the Employee Retention Credit might seem simple enough, but it becomes quite complicated once you begin to calculate your potential credit amount. We recommend seeking an experienced ERC provider to help you apply. If you wish to begin your ERC application on your own, follow the steps in our self filing guide.

Do I Need an ERC Provider to Claim the Employee Retention Credit?

It is possible to claim the Employee Retention Credit on your own, however, claiming the ERC without expert help is a risky proposition for your business even payroll tax professionals and CPA's find this special tax credit difficult to navigate. There is a possibility that your company's finance department will miscalculate your credit amount. If they over-claim your refund, your company will be subject to tax penalties and legal scrutiny. If they under-claim your refund, you leave money on the table that you were legally entitled to.

Contact an ERC Specialist

The tax credit professionals at ERTC Express can handle the entire ERC application process for you.

ERTC Express is not just another ERC specialist. They perform due diligence on your company's financial picture to ensure compliance with IRS rules.

Should your company ever be audited, you can rest assured that your ERC claim is honest and accurate.

ERTC Express specializes in helping small-to-medium-sized businesses maximize their efficiency through Business Intelligence, fractional accounting, analytic's, and tax credits.

With ERTC Express, all you have to do is provide the relevant documents, wait for the IRS to process your claim, and collect your ERC refund check.

Mark K Hardin
ERTC Express Certified Field Agent
www.MarkkHardin.com

As a Newly Certified Agent, for ERTC Express,

I have a few questions for you today.

Are you a small business owner?

Have you verified if you qualify for the ERTC extension?

As a small business owner did you know that you are more likely qualified for the ERTC than most?

Want to know if your business can qualify?

ERTC Express is the best, we provide audit protection, a rapid return (15-30 days) and we cover 100% of the liability.

Contact Us Today!

The company you choose can make a big difference in the amount of the tax credit that you receive.

We have the ERTC Blueprint to insure that you qualify for the largest amount of tax rebate available for the ERC extension.

Contact us Today,

Click the link below go to my ERTC Client Portal and get your ERTC approval process started

www.MarkkHardin.com

You can Also, Call to leave a message or Text me for more details at (619)388-9930

#ERTC2023
#ertcblueprint

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