

The below educational content of this edition of *Success by Association Live* is sponsored by Biltmore Farms Hotels & Jordan Price Law Offices.



**BILTMORE FARMSSM
HOTELS**

Association Executive Meeting Special Offer

- » Discounted Meeting Room Rate
- » Special Guest Room Rate
- » 1 Guest Room Upgrade To Suite
- » Complimentary Coffee Break
- » 50% Off Audio/Visual

Offer valid for meetings that occur before December 30th, 2022.
Must book by June 30th, 2022.



Herb Arnold

828-210-8290

harnold@biltmorefarmshotels.com

biltmorefarmshotels.com



**JP | JORDAN
PRICE
LAW OFFICES**



**EXPERIENCED LEGAL
AND LEGISLATIVE
COUNSEL FOR TRADE
AND PROFESSIONAL
ASSOCIATIONS**

CONTACT US:

1951 CLARK AVENUE
RALEIGH, NC 27605

919.828.2501

JORDANPRICE.COM

Educational Article

Employee Retention Tax Credit and Your Company

Maria Copp

April 6, 2022



Click [here](#) to listen to the article instead!

SHARE THIS CONTENT



MORE...

Employee Retention Tax Credit and Your Company

What is ERTC (or ERC)=Employee Retention Tax Credit?

The Corona Virus Aid Relief and Economic Security Act (CARES) created a new employee retention tax credit for employers who closed, partially or fully, and experienced significant revenue losses resulting from COVID19. The purpose of the tax credit is to keep workers on the payroll during the pandemic. The ERTC is an offset to payroll taxes, not an income tax credit.

The original credit began March 2020 and was extended through September 2021. Many businesses have failed to take advantage of ERTC either, because they don't understand the benefit, or they assume they are ineligible.

The IRS anticipated that 70% to 80% of businesses and tens of thousands of charities would apply for and benefit from the ERTC. The actual numbers are far lower than that. Employers of these companies and charities have left billions of dollars on the table - up to \$26,000 per employee in payroll taxes.

How much is the Tax Credit?

C-ERC is a 70% tax credit for the first \$10,000 of earnings paid each quarter between January 1, 2020 and September 30, 2021, per eligible employee. This amount can include the employer's portion of health benefits. Basically, for every eligible employee during this period, an employer would receive a \$7,000 tax credit per quarter, totaling \$21,000 for 2021.

Additionally, an employer can claim a 50% tax credit for the first \$10,000 of earnings paid to an employee between March 12, 2020 and December 31, 2020. Claiming both, 2020 and 2021 ERC would maximize the C-ERC for an employer at \$26,000 per eligible employee.

Can an employer take both PPP and ERC?

As of December 21, 2020, and the passing of the Consolidated Appropriations Act of 2021, employers can take both, PPP and ERC. Congress will allow employers to claim both, but not for the same dollars of payroll costs. The tax credits can be stacked for the highest benefit to the employer.

Key Takeaways

- ERC provides a refundable credit of up to \$5,000 per eligible employee between March 12, 2020 – December 31, 2021
- ERC provides a refundable credit of up to \$21,000 per qualified employee between January 1, 2021 and September 30, 2021
- You qualify if you were fully or partially impacted, or if your gross receipts fell below 50% for the same quarter in 2019 (for 2020) and below 80% (for 2021)
- If you were not in business in 2019, you can use the corresponding quarters from 2020
- You can claim your credit immediately by reducing payroll taxes sent to the IRS
- If your credit exceeds payroll taxes, you will be refunded the difference from the IRS

- If you received the Paycheck Protection Program (PPP) loan, you can still claim ERC for qualified wages not treated as payroll costs in obtaining forgiveness for the PPP loan.

You can still apply for the Employee Retention Credit

ERTC Program has closed but businesses and organizations can retroactively claim the credit.

AUTHOR: Maria Copp, owner of Caro Business Solutions is a Tax Savings and Credits

Consultant for GMG, the nation's leading full-service stimulus consulting firm specializing in local, state and federal incentives. To learn more about ERC and other hiring incentives, reach out to Maria at maria@carobusinesssolutions.com or visit her website www.carobusinesssolutions.com

If you would like to have one of your articles featured in *Success by Association Live* or have interest in sponsoring please contact Madi today at madi@aencnet.org.

Association Executives of North Carolina

Mailing Address: 514 Daniels St., PMB #352, Raleigh NC 27605

Phone: 919.848.8255 | Fax: 919.848.8525



[Unsubscribe](#) from these messages.



514 Daniels St, PMB #352, Raleigh, NC 27605