



Monday, February 20, 2023

## **Understanding the fine print of the Employee Retention Tax Credit**

The pandemic was challenging for both the taxpayer and tax preparer. Many businesses were deemed non-essential and significantly impacted by mandatory shutdowns or other pandemic-related factors. Businesses affected in this way may benefit from looking into how they may qualify for ERTC (Employee Retention Tax Credit) or ERC (Employee Retention Credit). Keep in mind that the rules to qualify are complex and the IRS (Internal Revenue Service) remains strict over fraudulent claims. In general, business owners would have to meet the specific decrease in revenue or submit proof that they were shut down during the pandemic per government request. Despite the ERC closing the filing deadline at the end of 2021, there is still an opportunity to amend your return; the ERTC is not drying up on funds. We advise clients interested in submitting a claim to take time to observe how potential court cases play out, or if IRS guidance changes.