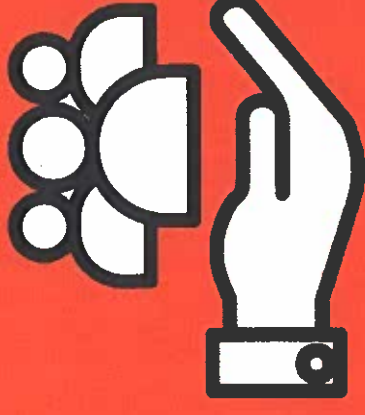


# ATTENTION: Business Owners, Non-Profits & Charities Are You Aware of the November 2021 Changes To The CARES Act?



Even if you received PPP or EIDL loans and even if your revenues increased during the pandemic, you may now be eligible for the Employee Retention Tax Credit (ERC). It is a REBATE (not a loan) of your payroll taxes, given back to you in the form of a check(s), as a REWARD for having kept your W-2 employees on the payroll despite the COVID-related challenges.



Joe Falcone

Tax Rebate Specialists Affiliate

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My name is Joe and I can help you navigate through the process to claim any rebates that you are eligible for - before the program ends. *Please go to the website below and be sure to click the "Begin qualifying" button to see if you qualify and for how much.*

[taxrebatespecialists.com/n5h7a9do](https://taxrebatespecialists.com/n5h7a9do)

Begin qualifying

# Your business and the Employee Retention Tax Credit



## Was your business negatively impacted by the COVID-19 pandemic?

**You are likely eligible for the Employee Retention Credit (ERC) of up to \$26,000 per employee.**

The ERC program was created under the Coronavirus Aid, Relief and Economic Security Act (CARES Act) as part of the federal government's relief program to encourage and reward business owners that retain employees during the pandemic. Recently, the policy was amended to enable business owners to qualify for ERC tax credits even if they received PPP loans. The time period the program covers was also extended from March 22, 2020 to December 31, 2021.

### Does your business qualify?

**Your business qualifies for ERC if you experienced a partial or complete suspension of operations.**



Social distancing rules reduced capacity



Reduction of hours of operation



Distribution delays or suspensions



Supply chain disruptions



Suspended on-site work or client meetings

**Your business qualifies if you experienced a significant reduction in revenue during any quarter of 2020 or 2021 as compared to 2019.**



50% decrease in revenue per quarter in 2020



20% decrease in revenue per quarter in 2021

### ERC tax credit eligibility

For 2020, if your business was fully or partially suspended, was forced to restrict business hours, or experienced a reduction of 50% or more revenue (gross receipts) as compared to the same quarter in 2019, you are eligible for ERC tax credit. If your business meets this requirement, you are eligible for the ERC tax credit equal to 50% of eligible employee wages.

**Maximum credit per employee: \$5,000**

For 2021, if your business was fully or partially suspended, was forced to restrict business hours, or experienced a reduction of 20% or more revenue (gross receipts) as compared to the same quarter in 2019, you are eligible for ERC tax credit. If your business meets this requirement, you are eligible for the ERC tax credit equal to 70% of eligible employee wages.

**Maximum credit per employee: \$21,000**

Businesses that qualify for both 2020 and 2021 ERC tax credits may receive up to \$26,000 per eligible W-2 employee.

**Learn more and pre-qualify for the ERC at: <https://taxrebatespecialists.com/n5h7a9do>**

**Contact: Joe Falcone - 315-525-0857 - [jfreb2021@gmail.com](mailto:jfreb2021@gmail.com)**

# Your business and the Employee Retention Tax Credit



## Was your business negatively impacted by the COVID-19 pandemic?

To recap, our company, TRS is a marketing arm for ERCS whose only business is processing ERCs to the IRS on behalf of small business (businesses with under 500 employees) owners.

The ERC mandates for the original CARES Act changed in November 2021. Businesses are now eligible for the ERC rebate, even if they have received a PPP loan, based on three (3) criteria:

1. Reduction in revenue; 20% or more.
2. Supply change issues.
3. Alternation/disruption in the way they did business.

The eligibility can be for some or all of the following time periods:

1. 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> quarters of 2020
2. 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> quarters of 2021

The qualification process is free and completed online. Once ERCS determines if a business is eligible for an ERC rebate, the business is notified directly by ERCS. At this point, ERCS will ask the eligible business if they would like to proceed. If the business does want to proceed, the fee is 10% of the rebate up front or 15% pay later when the rebate is received. ERCS completes and submits ALL of the paperwork required to file with the IRS on the business's behalf. If the business choose to pay the fee upfront, the Treasury Department sends the rebate check directly to the business. In the pay later option, the Treasury Department sends the rebate check to ERCS, ERCS takes their fee, and sends the business the balance.

The following links are how a business gets started:

Joe Falcone: <https://taxrebatespecialists.com/n5h7a9do/ercapp/>

Keep in mind that the initial qualifying number provided at the start is an estimate and does not take into consider any PPP that a business may have received. The final rebate amount may be less but in some cases it may be more.

Attached is an "application walkthrough" for your reference. This will let you see the questions that are asked and information needed to complete the online process. Everything is done online, the attached file is only for reference purposes. If you would like to go through a "test" qualification you can use one of the links above and in the area for the business name type "test". If you do go through a "test qualification" please do it as a group, rather than 4 different times. If you get part way through the test and don't want to finish, you can just close the web page.

Learn more and pre-qualify for the ERC at: <https://taxrebatespecialists.com/n5h7a9do>

Contact: Joe Falcone - 315-525-0857 - [jfreb2021@gmail.com](mailto:jfreb2021@gmail.com)





# ERC Summary Table

	2020	2021 (Q1)	2021 (Q2)	2021 (Q3)	2021 (Q4)
<b>Time Period</b>	March 13–December 31	Q1 2021 & Q2 2021 Respectively		Q3 2021	N/A
<b>Credit Rate</b>	50%	70%			N/A
<b>Max Credit per W-2</b>	\$5,000 per year	\$7,000 per quarter			N/A
<b>Small Employer</b>	100 full-time employees and less in 2019	500 full-time employees and less in 2019			N/A
<b>Revenue Qualifier</b>	50% gross receipts decline vs. same 2019 quarter	20% gross receipts decline vs. 2019 or 2020 same or prior quarter. Employers that did not exist in 2019 can use 2020 revenue numbers.			N/A
<b>Full or Partial Suspension Qualifier</b>	The operation of a trade or business is partially suspended if a government authority imposes restrictions on the employer's operations by limiting commerce, travel, or group meetings due to COVID-19, such that the employer can still continue, but not all of its typical operations.				N/A
<b>Governmental Organizations</b>	None	Public colleges, universities, organizations whose principal purpose is providing medical or hospital care, certain federal instrumentalities like credit unions			N/A
<b>Recovery Startup Business</b>	None			Businesses beginning operations after February 15, 2020, qualify regardless of revenue or shutdown orders. (Max \$50,000 per quarter.)	
<b>Can claim PPP &amp; ERC</b>	Yes				



# ERC Qualification at a Glance

Issue	CARES Act/TCDFRA (Q2-Q4 2020)	CARES Act/TCDFRA (Q1 and Q2 2021)	American Rescue Plan (Q3 and Q4 2021)
<b>Eligible Employers</b>	<b>Trade or business experiencing:</b> <ul style="list-style-type: none"> <li>A full or partial shutdown; or</li> <li>Significant decline in gross receipts, which means a 50% decline in gross receipts from same calendar quarter in 2019 and continues through end of first quarter for which business's gross receipts are greater than 80% of comparable 2019 calendar quarter. Nonprofits are eligible, but governmental entities are not. Originally, PPP loan recipients could not receive credit. This was changed retroactively by TCDRA.</li> </ul>	<b>Trade or business experiencing:</b> <ul style="list-style-type: none"> <li>A full or partial shutdown; or</li> <li>Significant decline in gross receipts, meaning a 20% decline in gross receipts compared to comparable 2019 calendar quarter. Taxpayers may elect to use prior calendar quarter rather than current calendar quarter to determine if there was a significant decline in gross receipts. Governmental entities that are colleges or universities, or whose principal function is providing medical or hospital care are eligible for credit.</li> </ul>	<b>Same as Q1 and Q2 criteria, plus:</b> <ul style="list-style-type: none"> <li>Recovery startup businesses, which is any employer that began trade or business after February 15, 2020, with gross receipts of less than \$1 million.</li> </ul>
<b>Amount of Credit</b>	50% of qualified wages	70% of qualified wages	70% of qualified wages
<b>Maximum Amount of Qualified Wages/Credit</b>	\$10,000 per employee for the year (credit capped at \$5,000 per employee for the year)	\$10,000 per employee per calendar quarter (credit capped at \$7,000 per employee per quarter)	\$10,000 per employee per calendar quarter (credit capped at \$7,000 per employee per quarter)
<b>Qualified Wages</b>	Includes health plan expenses paid on behalf of employee if excluded from employee's gross income. For small employers (defined as 100 or less full-time employees), qualified wages include wages paid to all employees. For large employers (defined as more than 100 full-time employees), qualified wages limited to wages paid to employees who are not working. <b>Does not include wages paid:</b> <ul style="list-style-type: none"> <li>for which FFCRA credits claimed; or</li> <li>with forgiven PPP loans</li> </ul>	Same as 2020 credit, except definition of "small employer" modified to apply to employers with 500 or fewer full-time employees.	Same as 2021 Q1 and Q2 credit, however, severely financially distressed employers may claim credit for wages paid to all employees even if the employer has more than 500 employees. A severely financially distressed employer is any employer whose gross receipts declined more than 90% in a 2021 calendar quarter compared to same quarter in 2019.
<b>Claiming Credit</b>	<b>Claimed on Form 941 Employers may receive advance credit by:</b> <ul style="list-style-type: none"> <li>reducing payroll deposits; and/or</li> <li>claiming advance credit payment on Form 7200</li> </ul>	Same as 2020 credit except that advance credit payments are limited to small eligible employers	Same as 2021 Q1 and Q2 credits
<b>Wage Deduction</b>	Wage deduction must be reduced by amount of credit claimed.		
<b>Statute of Limitations (Period to Review Credit Claimed On Return)</b>	Three (3) years		



# ERC Qualification at a Glance

## Wage Periods

The rules for the credit vary depending on which period the employer paid wages eligible for the credit.

### March 12, 2020 through December 31, 2020

*Applicable law:* CARES Act §2301, as amended by the Taxpayer Certainty and Disaster Tax Relief Act (TCDFRA) §206. Supplemental guidance was issued in IRS Notice 2021-20.

### January 1, 2021 through July 1, 2021

*Applicable law:* CARES Act §2301, as amended by the TCDTRA §207. Supplemental guidance was issued in IRS Notice 2021-23.

### July 1, 2021 through December 31, 2021

*Applicable law:* The American Rescue Plan.



## ERC Application Walkthrough

### Part One: General Information

This page includes some general applicant information.

The fields include:

- Business name
- First name
- Last name
- Job title
- Email
- Average number of full-time W-2 employees in 2020?
- Average number of full-time W-2 employees in 2021?

Next

### Part Two: ERC Application

Make sure the business owner reads the ERC disclaimer section before starting the application process.

If the business owner has more than one business to input, please qualify each business (EIN) separately.

Did you pay any W-2 wages in 2020 or 2021?

- Yes  No

*(If no, the business will not qualify for ERC.)*

When did you start your business?

- Before 2/16/2020  On or after 2/16/2020

*(If before, they are eligible for up to six quarters. If after, they are only eligible for the Startup Recovery Program.)*

How many full-time employees did you average in 2019?

- Less than 100 full-time employees in 2019  
 Over 100 full-time employees, but under 500 in 2019  
 Over 500 full-time employees in 2019

*(Note: If they own over 50% of multiple businesses, the IRS aggregate rule requires you to combine the full-time employee counts of all companies that you were a majority owner of during 2019.)*

NOTE: There are three different ways a business can qualify for the ERC. Answer the questions to each option and see how many of the six quarters their business is qualified. A business may qualify for some of the quarters with one option and the remaining quarters with another option. Have them read each question thoroughly and answer as accurately as possible.

#### Qualification Option #1: Full or Partial Closure

Keep in mind, a government restriction may have had a direct impact on their operations even though that shutdown order wasn't given to them directly.

This qualification only applies during the period of the actual government order. Since there were very few government shutdown orders during 2021, this qualification mainly applies to 2020 quarters.

Did you experience a full or partial suspension due to a COVID government order?

- Yes  No

Select the type of suspension:

- Reduction in hours  
 Inability to access equipment  
 Reduction in services offered  
 Reduction in capacity  
 Travel restrictions  
 Actual suspension

Provide a brief description of suspension:  
*(Enter description.)*

NOTE: Have them check the "I have another suspension to claim" box for each suspension they want to include. They can choose multiple suspensions to cover different quarters.

In which 2020 quarters were you impacted by these suspensions?: *(Select all that apply.)*

- Q2  Q3  Q4

In which 2021 quarters were you impacted by these suspensions?: *(These are uncommon, but select all that apply.)*

- Q1  Q2  Q3

#### Qualification Option #2: Supply Chain Disruption

Supply chain disruption is a common qualification for businesses that rely on vendors and suppliers for their business to function properly. This qualification must have resulted from a government suspension order to their supplier that resulted in the supplier not being able to deliver critical goods, but may continue beyond the original suspension order.

Did you experience a supply chain disruption due to a COVID government-ordered suspension on your supplier?

- Yes  No

Select the number of items affected: (Select from 1 to 10.)

1  2  3  4  5  ...  10

List the details for each item.

(Note: Three boxes will appear for each item selected.)

1. Supply item #1 (what was it?)
2. Supplier of item #1 (who provided it?)
3. In what state is the supplier of item #1 located?

In which 2020 quarters was your business impacted more than 10% due to the cumulative impact of these disrupted supply items? This DOES NOT mean revenue must have decreased during the 2020 quarter. (Select all that apply.)

Q2  Q3  Q4

In which 2021 quarters was your business impacted more than 10% due to the cumulative impact of these disrupted supply items? This DOES NOT mean revenue must have decreased during the 2021 quarter. (Select all that apply.)

Q1  Q2  Q3

My business was not able to find a reasonable replacement supplier for any of these supply items.

Agree

### Qualification Option #3: Revenue Reduction

The most straightforward way to qualify for the ERC is from a qualified revenue reduction during the qualification period of the program.

Were your gross receipts (total deposits) for at least one quarter in 2020 less than 50% of your gross receipts for the same quarter in 2019?

Yes  No

Which 2020 quarters were you down 50% of gross compared to 2019 levels? (Select all that apply.)

Q2  Q3  Q4

2021 Q1 revenue qualifier:

- My Q1 2021 gross revenue was 20% lower than Q1 2019 (or Q1 2020 if not in business in Q1 2019)
- This does not apply to my business

2021 Q2 revenue qualifier:

- My Q2 2021 gross revenue was 20% lower than Q2 2019 (or Q2 2020 if not in business in Q2 2019)
- This does not apply to my business

2021 Q3 revenue qualifier:

- My Q3 2021 gross revenue was 20% lower than Q3 2019 (or Q3 2020 if not in business in Q3 2019)
- This does not apply to my business

Next

## Part Three: ERC Qualification Results

This page shows which of the six quarters their business is qualified to receive ERC.

The Substantiation Statements are also included. These will be retained to substantiate the claim with the IRS.

(Note: The only two items to fill in are about the average number of W-2 employees.)

In 2020, how many W-2 employees did you average?  
(Enter average number of employees.)

In 2021, how many W-2 employees did you average?  
(Enter average number of employees.)

(There is an estimated ERC amount for each year.)

Next

## Part Four: Applicant Information

This page shows the estimated amount of ERC and allows the business owner to verify their information and fill in any incomplete fields. Most of the information should be prefilled based on previous answers.

The fields include:

- Business name
- First name
- Last name
- Job title
- Mobile phone
- Email
- Business address (with City, State, Zip code, and Country)
- Who introduced you to Tax Rebate Specialists?
- Optional — Email of the individual that handles your payroll. (We will email them a copy of your document upload link.)
- What industry are you in?

Finally, have them check the box that states, "By checking this box, you attest that the answers provided are accurate to the best of your knowledge and agree to our Terms and Conditions."

Submit ERC Application

After submitting the application, the Congratulations! page will inform the client that their ERC application has been received by Tax Rebate Specialists. If they are ready to start uploading documents, an upload link is also included. An email and text with similar information will be sent immediately.



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