

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

## PROVISIONS

The American Institute of CPAs (AICPA) has submitted seven recommendations to the Department of the Treasury and the Internal Revenue Service (IRS) calling for much needed clarity and guidance in how small businesses should apply certain employee ...

Apr. 20, 2020



The [American Institute of CPAs](#) (AICPA) has submitted seven recommendations to the Department of the Treasury and the Internal Revenue Service (IRS) calling for much needed clarity and guidance in how small businesses should apply certain employee retention credit provisions in the Coronavirus Aid, Relief and Economic Security (CARES) Act.

“This is the latest of many steps AICPA has taken to create a greater understanding of

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

2. Provide guidance related to the deferral of the payment of social security taxes.
3. Clarify in situations when an employee works a reduced schedule, but continues to be paid their regular wage, if a portion of the employee's wages and qualified health care costs can be claimed as a credit. This treatment would be consistent with guidance issued by the Department of Labor (DOL) related to the Families First Coronavirus Response Act (FFCRA).
4. Provide additional guidance regarding the definition of a “partial” suspension of operations for purposes of Section 2301 of the Act.
5. Define the term “trade or business” for purposes of Section 2301 of the Act. An employer may have one division suspended per a government order, while other parts of the business remain open. It is unclear if the suspension test is applied to each trade or business in which the employer operates or if the situation constitutes a partial suspension. It is clear that the gross receipts test applies to all activities but use of the term “trade or business” with the suspension language is unclear.
6. Clarify whether an employer aggregated under the aggregation rules under Section 2301 of the Act is barred from utilizing the retention credit if another related entity (under the section 52 rules) receives an SBA loan.
7. Clarify whether a not-for-profit organization which has not been fully or partially suspended can use the gross receipts test to qualify for payment of retention pay. Section 2301(c)(2)(C) of the statute implies that it cannot however, FAQ #2 implies that it can.

In addition to these recommendations, AICPA has the following resource pages:

- [SBA Paycheck Protection Program resources for CPAs](#)

- [Coronavirus \(COVID-19\) tax policy & advocacy resources](#)

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Sponsors.

© 2024 Firmworks, LLC. All rights reserved