

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

500 employees and certain governmental employers, can receive a tax credit for providing paid time off for each employee receiving the vaccine and for any time needed ...

Apr. 21, 2021



The Internal Revenue Service and the Treasury Department have announced further details of tax credits available under the American Rescue Plan to help small businesses, including providing paid leave for employees receiving COVID-19 vaccinations.

The additional details, provided in a fact sheet, spell out some basic facts about the employers eligible for the tax credits. It also provides information on how these

employers may claim the credit for leave paid to employees related to COVID-19

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

“This new information is a shot in the arm for struggling small employers who are working hard to keep their businesses going while also watching out for the health of their employees,” said IRS Commissioner Chuck Rettig. “Our work on this issue is part of a larger effort by the IRS to assist the nation recover from the pandemic.”

The American Rescue Plan Act of 2021 (ARP) allows small and midsize employers, and certain governmental employers, to claim refundable tax credits that reimburse them for the cost of providing paid sick and family leave to their employees due to COVID-19, including leave taken by employees to receive or recover from COVID-19 vaccinations. Self-employed individuals are eligible for similar tax credits.

The ARP tax credits are available to eligible employers that pay sick and family leave for leave from April 1, 2021, through Sept. 30, 2021.

The paid leave credits under the ARP are tax credits against the employer's share of the Medicare tax. The tax credits are refundable, which means that the employer is entitled to payment of the full amount of the credits if it exceeds the employer's share of the Medicare tax.

In anticipation of claiming the credits on the [Form 941](#), Employer's Quarterly Federal Tax Return, eligible employers can keep the federal employment taxes that they otherwise would have deposited, including federal income tax withheld from employees, the employees' share of social security and Medicare taxes and the eligible employer's share of social security and Medicare taxes with respect to all employees up to the amount of credit for which they are eligible. If the eligible employer does not have enough federal employment taxes on deposit to cover the amount of the anticipated credits, the eligible employer may request an advance by filing Form 7200, Advance Payment of Employer Credits Due to COVID-19.

Self-employed individuals may claim comparable credits on the [Form 1040](#), U.S.

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

(NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved