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SMALL BUSINESS

Majority of Small Business Owners Don't Have the Resources to Handle Tax Credits

A recent survey revealed that 63% of decision-makers do not know if they are eligible to claim the ERC.

Dec. 15, 2022



Sixty-three percent of business leaders and decision-makers say their business lacks resources or needs help handling tax credits, according to a [recent survey from Omega Accounting Solutions](#).

With rolling sunset deadlines to claim eligibility for the Employee Retention Tax Credit (ERC) quickly approaching beginning March 2023, qualified small businesses are running out of time to claim their ERC refunds.

“There are millions of unclaimed dollars available, and nearly any business impacted by the pandemic is eligible to claim their credit,” said Jay Woods, founder and president of Omega Accounting Solutions. “Employers worked hard to stay afloat during the pandemic. They simply didn’t have the bandwidth to manage constantly shifting business environments; learn and adhere to local, state, and federal regulations; and discover the ins and outs of the ERC to see if they were eligible.”

The nationwide survey, by Atomik Research, was conducted from Aug. 11 to 18, 2022 on behalf of Omega Accounting Solutions. The survey was conducted online among a sample of 803 general managers and members of the executive management of businesses, such as C-suites and presidents/owners, across the U.S.

The survey found:

- Nearly nine in 10 (89%) of those surveyed say that between the pandemic, inflation, and labor shortages, they feel it is nearly impossible for small businesses to thrive in today’s economy.
- Almost nine in 10 (89%) respondents say the surge in operating expenses and/or the cost of goods have made paying employees a competitive wage unaffordable.
- 83% of respondents feel the early 2020s have been the worst time for small businesses since the Great Depression.
- 81% of business leaders and decision-makers indicated that business is suffering because they lack knowledge of or adequate counsel on accounting procedures, financial planning and related business tasks.
- Nearly a third (31%) of survey respondents indicate that the tax or financial experts who typically assist with their business’s tax needs did not provide accurate or enough information regarding the ERC.
- 45% of respondents who believe they are ineligible to claim ERC benefits, believe their business is ineligible because they have already applied for a Payment Protection Program (PPP) loan.

Omega analysts believe these survey results indicate that small businesses are often underserved when it comes to tax credits. Most executives lack expert guidance in accounting and finance, leaving them to rely on outdated information or form misconceptions that may prevent them from utilizing tax advantages.

“ERC funds may continue to help businesses remain operational during ongoing economic hardship,” Woods said. “After the worst of the pandemic, many businesses still face labor shortages, skyrocketing costs of doing business and threats of a potential recession.”

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