

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

TAXES

Senator Demands IRS Pays Employee Retention Credits Still Owed to Small Businesses

Sen. Kirsten Gillibrand says nearly a million businesses are owed an ERC for keeping their staff on payroll during the pandemic.

May. 05, 2023



By Alex Gault, Watertown Daily Times, NY (TNS)

Nearly a million businesses are owed an employee retention credit for keeping their staff on payroll through the early days of the COVID-19 pandemic, and Sen. Kirsten Gillibrand (D-New York) is demanding the IRS pay up.

In a virtual press conference held Thursday, Gillibrand said the employee retention credit (ERC) was approved by Congress in 2020 and offered a tax refund to a business that continued paying its employees despite being shut down for the COVID-19 pandemic or experienced a significant decrease in income starting March 13, 2020.

There is no available data on the value of the refunds owed to the businesses, but the ERC offered up to \$21,000 per employee per year, covering up to 70% of qualifying wages.

“At the height of the pandemic, thousands of small businesses did the right thing and kept their employees on payroll,” Gillibrand said. “They were promised reimbursement, but years after the fact, they still haven’t received it. I am calling on the IRS to speed up its processing to fix this problem as soon as possible and get our hard-working small business owners the refunds they deserve.”

The ERC has been the subject of significant fraud efforts. Advertisements touting it for individual taxpayers and businesses in the current tax year have been abundant online.

IRS officials warn that the ERC is not a tax credit for employees who worked during the pandemic, but a credit for the companies that continued to pay their staff during a shutdown or significant drop in business caused by the pandemic. It is also no longer available, and new applications are only being processed to adjust tax filings for the 2020 and 2021 tax years.

Organizations that offer to help taxpayers receive the ERC and charge a fee for doing so are often scams. The IRS suggests small businesses should consult with a professional tax preparer on pandemic-era tax credits, as any application will rely on historical payroll data, and wages covered by another tax credit or the Paycheck Protection Program are not eligible.

(c)2023 Watertown Daily Times (Watertown, NY). Visit Watertown Daily Times (Watertown, NY) at www.watertowndailytimes.com. Distributed by Tribune Content Agency LLC.

Income Tax • IRS • Payroll • Small Business • Taxes

CPAPA is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2023 Firmworks, LLC. All rights reserved