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14, 2023, due to instances of widespread fraud.

Jason Bramwell • Mar. 22, 2024



The IRS said on Friday that it will likely end its moratorium on processing new employee retention credit (ERC) claims later this spring.

In a news release, the IRS said:

A specific [ERC processing] resumption date hasn't been determined but, at this point, the IRS anticipates it will be sometime in the late

spring.

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14 moratorium.

In the meantime, the IRS continues to process ERC claims submitted before the moratorium, but with more scrutiny and at a much slower rate than before the agency's approach changed last year.

The IRS is in the midst of a crackdown on fraudulent ERC claims resulting from pop-up businesses, or "ERC mills," marketing the program to employers that don't qualify for the tax relief.

The refundable tax credit, which was authorized by the \$2.2 trillion coronavirus package known as the Cares Act, aimed to motivate employers to keep workers on staff during the early days of the pandemic as unemployment rates sharply increased.

Because of the suspicious nature of some ERC claims, the IRS last May [alerted business owners about ERC scams](#). Calling it a "barrage of aggressive broadcast advertising, direct mail solicitations, and online promotions," the IRS said ERC promoters are "wildly misrepresenting and exaggerating who can qualify for the credits."

On July 26, 2023, the [agency announced](#) it was increasingly shifting its focus to review these claims for compliance concerns, including intensifying audit work and criminal investigations on promoters and businesses filing dubious ERC claims.

Then on Sept. 14, IRS Commissioner Danny Werfel ordered an [immediate moratorium on the ERC program](#), saying the agency "could no longer tolerate growing evidence of questionable claims pouring in."

“The IRS has made important progress in our compliance efforts protecting more

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