



Employee Retention Credit Offers Last Chance for Small Businesses to Claim Stimulus Money Due to the Pandemic

December 30, 2022

Los Angeles, California - December 30, 2022 -

LOS ANGELES, CA / The Employee Retention Credit (ERC) program is the one remaining chance for small business owners to get new-found money within their current business from the government as a result of the COVID-19 pandemic, according to Disaster Loan Advisors. Unfortunately, determining whether one's business is eligible and for how much can be a challenge. This is a tax credit that was introduced by the Coronavirus Aid, Relief, and Economic Security (CARES) Act for the purpose of motivating businesses to retain their employees during the pandemic season of 2020. This will be provided by the Internal Revenue Service (IRS) up to \$26,000 as tax refund per employee on their payroll in 2020 and 2021. For companies that were launched during the COVID pandemic, up to \$33,000 refund can be received per employee..

Business owner calculating their company Employee Retention Credit refund amount. Image Credit: Alfexe / 123rf.

Qualifying businesses may be able to receive up to \$26,000 from the IRS as a tax refund per employee on the payroll during 2020 and 2021, and there are various ways for a business to qualify, including disruptions, shutdowns, or revenue loss. Companies have up to three years to file their amended IRS 941-X returns to claim the said tax credit.

?The problem is that there are a lot of rules and regulations governing the ERC credit and there have been many modifications, which have made it almost impossible for businesses to figure it on their own. What businesses can do is find an ERC service provider that can offer expert advice and assistance on determining if they qualify, and calculating the ERC credit amount correctly,? said Marty Stewart, Chief Strategy Officer (CSO) with Disaster Loan Advisors (DLA).

To claim the Employee Retention Credit, businesses need not wonder on whether it is rightful to claim this tax credit as it is money that they have already paid to the IRS for their quarterly gross wages as reported on their IRS Form 941 quarterly payroll for 2020 and 2021 business tax filing years. It should be noted that for the 2020 tax year, the ERC credit was equal to 50 percent of the qualified wages that also included the allocable qualified health plan costs that eligible employers pay for their employees. This ERC credit is based on the qualified wages that were paid after March 12, 2020 and before January 1, 2021.

The maximum amount of qualified wages that can be considered to claim the Employee Retention Credit, with regards to each employee for all calendar quarters is \$10,000. And the maximum tax credit for an eligible employer for qualified wages paid to any employee in 2020 is \$5,000 for each employee. For the W-2 payroll in 2021, the maximum ERC credit for an eligible business for qualified wages that were paid to any employee for 2021 is \$7,000 for each employee for each quarter for the first three quarters only. This amounts to \$21,000 per employee for 2021, that is, if the business is not a startup company. Startup companies, on the other hand, may claim the fourth quarter of 2021, for an additional \$7,000 for each employee.

There have been multiple IRS rule changes to the Employee Retention Credit program, resulting from the ERC rules, regulations, and laws that were passed over the previous years, making it confusing and almost impossible for business owners to determine if they are eligible, or how much they can actually claim as tax credit. Many business owners had to shift their attention to other available government programs after the SBA funds for the EIDL program had run out. However, due to the complex and confusing rules of the ERC credit program, many tax professionals, CPAs, and business owners have turned to the services of companies that have a team of financial tax professionals that specialize in such government programs like the ERC credit program.

ERC services like Disaster Loan Advisors? (DLA) offers are valuable as many employers have not been able to benefit from all available relief funds, such as the employee retention tax credit just because it has been misunderstood and confusing. Done properly, a business owner can get up to \$26,000 for every W-2 employee on their payroll for the 2020 and 2021 tax filing years. And this money can be claimed from the IRS for up to three years. Businesses can get professional help from Disaster Loan Advisors? (DLA) in their filing of the 941-X amended filing process to ensure they get the full amount that is available to them from the ERC credit program.

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For more information about Disaster Loan Advisors? (DLA), contact the company here: Disaster Loan Advisors? (DLA) Lisa Stein 877-463-9777 ext. 3 lisa.stein@disasterloanadvisors.com

Disaster Loan Advisors? (DLA)

Disaster Loan Advisors? (DLA) specializes in the Employee Retention Credit (ERC / ERTC) program where businesses can retroactively claim up to \$26,000 back from the IRS for W2 employees on payroll from 2020 / 2021 tax filing years for qualified quarters.

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