

# An Overview of Employee Retention Credit (ERC)

*Tens of Thousands of Dollars in Federal Tax Credits are Available to Businesses That Don't Know They're Eligible*

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/EINPresswire.com/ -- The federal [Employee Retention Credit \(ERC\)](#) may save eligible employers thousands of dollars. This refundable tax credit against some employment taxes equals half of the applicable wages a qualified employer paid to its workers from March 12, 2020, to September 30, 2021.



Employee Retention Credit Program

What is the Employee Retention Credit (ERC)?

The ERC is a tax policy helping small and medium businesses and tax-exempt entities recover from the COVID-19 pandemic's economic impact. The ERC provides eligible employers up to \$7,000 per employee per quarter with tax relief for 2021's first three quarters (a smaller benefit is available for 2020). Unlike the Paycheck Protection Program (PPP), the ERC isn't a loan. The business receives a refund for payroll expenses, and it's not taxable income.

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Businesses face many challenges. With ZeroRisk Cases' help, an ERC tax credit can help them save money that can be spent on urgent needs or boost their bottom lines.”

*Ed Lott*

Eligible employers use the credit by cutting the employment tax deposits they would otherwise pay. If the employment tax deposits don't cover the credit, the IRS

pays the business an advance payment.

How Does an Employer Qualify for the ERC?

A business must fit into one of three categories:

1. A mandatory business suspension impacted the organization.

It could be a closure, restricted hours, or lost capacity due to supply problems:

- A business supplies others with products or services and suffers because of supply line restrictions.
- Operations were partly or wholly suspended because critical goods or materials were unavailable because their suppliers reduced operations

Supply chain issues had a significant impact on the economy. Suppliers closed or cut operations, then had difficulty returning to full capacity.

2. A business suffered a significant cut in gross receipts.

For 2020 gross receipts must be cut by at least half compared to the same quarter in 2019. For 2021, gross receipts must see at least a 20% reduction.

3. The company is a “recovery startup business.”

An organization may qualify as a recovery startup business (RSB) if:

- The first two categories don't apply
- The company opened after February 15, 2020
- Its average annual gross receipts are not more than \$1 million
- There is at least one employee
- The company paid employees in 2021's third and fourth quarters

If a business is an RSB, it may qualify for up to \$100,000 (or up to \$50,000 per quarter) in federal tax refunds from the IRS.

How Big a Tax Credit Can an Eligible Employer Receive?

For 2020, the credit can be up to \$5,000 per employee per quarter. For 2021, the highest amount is \$28,000, or \$7,000 per quarter.

How Can ZeroRisk Cases Help?

ZeroRisk Cases guarantees businesses and nonprofits will receive the maximum credit for their costs. Tax professionals will ensure the proper forms are correct, complete, and submitted to the right department. We'll stay in touch with the IRS to ensure employers get their credit as quickly as possible.

ZeroRisk Cases monitors the latest developments in tax law, IRS regulations, and guidelines so clients can spend their time and energy running their businesses. Submissions, documents, and

information must follow the latest guidance to avoid rejections or delays.

ZeroRisk Cases President and Managing Partner, Ed Lott, states, "Businesses face many challenges. With ZeroRisk Cases' help, an ERC tax credit can help them save money that can be spent on urgent needs or boost their bottom lines."

CALL 833-937-6747 IF YOU HAVE QUESTIONS.

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For more information on the [ERC Tax Credit Program](https://www.zeroriskcases.com/): <https://www.zeroriskcases.com/>

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