

Employer Tax Credits Update USOPC National Governing Bodies

Ryan Hagan, CFE, CPA
Altruic Advisors, CPAs



ALTRUICADVISORS®

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

...helping nonprofits create good

Employee Retention Credit (“ERC”)

- Refundable credit created by the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), signed into law on March 27, 2020
- Credit is against the Employer portion of Social Security tax (6.2%) paid during the last part of Q1, and all of Q2, Q3, and Q4 of 2020
- Credit was extended through June 30, 2021 by the Consolidated Appropriations Act (“CAA”), signed into law on Dec 27, 2020
- Under the CARES Act, PPP loan recipients were prohibited from receiving the ERC. The CAA clarifies that PPP loan recipients (either 1st round or 2nd round) may now retroactively claim the credit for 2020.
- **Note: additional guidance on the ERC is still needed to determine how wages should be documented for those employers who have applied for PPP loan forgiveness; additional guidance is also still needed to report the qualified wages paid in earlier quarters on Form 941 and Form 941-X. This may result in a further update to Form 941 and Form 941-X**

2020 Employee Retention Credit

- Refundable tax equal to 50% of qualified wages, and certain health plan costs, that an eligible employer pays to employees after March 12, 2020 and before January 1, 2021
- Maximum credit is \$5,000 per employee
- Immediate access to credit by reducing employment tax deposits. While the credit is only for the employer portion of Social Security tax, immediate access can be obtained by reducing all Form 941 payments (ER/EE Social Security tax, ER/EE Medicare tax, federal withholding tax); Form 941-X is filed to claim a refund of previous qualifying amounts paid. Form 941-X must be filed within three years of the date Form 941 was filed or two years from the date the Form 941 tax was paid, whichever is later.
- Advance payments available if reducing tax deposits is not sufficient to cover the credit or in lieu of reducing tax deposits (IRS Notice 2020-22) – Form 7200, Advance of Employer Credits Due to COVID-19 (use the March 2020 version of this form)
- To qualify for the 2020 ERC:
 - Employer is in business during 2020; **and**
 - Experience full or partial suspension of operations due to governmental orders; **or**
 - A significant decline in gross receipts
 - Significant decline in gross receipts begins:
 - on the first day of the first calendar quarter of 2020
 - for which an employer's gross receipts are less than 50% of its gross receipts
 - for the same calendar quarter in 2019
 - Significant decline in gross receipts ends:
 - on the first day of the first calendar quarter following the calendar quarter
 - in which an employer's gross receipts are more than 80% of its gross receipts
 - for the same calendar quarter in 2019

2021 Employee Retention Credit

- Refundable tax equal to 70% of qualified wages, and certain health plan costs, that an eligible employer pays to employees after December 31, 2020 and before July 1, 2022
- Maximum credit is \$14,000 per employee
- Immediate access to credit by reducing employment tax deposits. While the credit is only for the employer portion of Social Security tax, immediate access can be obtained by reducing all Form 941 payments (ER/EE Social Security tax, ER/EE Medicare tax, federal withholding tax)
- Advance payments available if reducing tax deposits is not sufficient to cover the credit or in lieu of reducing tax deposits (IRS Notice 2020-22) – Form 7200, Advance of Employer Credits Due to COVID-19 (use the January 2021 version of this form)
- To qualify for the 2021 ERC:
 - Employer is in business during 2021; **and**
 - Experience full or partial suspension of operations due to governmental orders; **or**
 - A significant decline in gross receipts
 - Significant decline in gross receipts begins:
 - on the first day of the first calendar quarter of 2021
 - for which an employer's gross receipts are less than 50% of its gross receipts
 - for the same calendar quarter in 2019 (the same quarter in 2020 must also be less than 50%)
 - Significant decline in gross receipts ends:
 - on the first day of the first calendar quarter following the calendar quarter
 - in which an employer's gross receipts are more than 80% of its gross receipts
 - for the same calendar quarter in 2019

Definitions:

Qualified Wages

- **If averaged more than 100 full-time employees during 2019 (increased to more than 500 full-time employees during the period 1/1/21 – 6/30/21):** qualified wages are generally those wages, including certain health care costs, (up to \$10,000 per employee for all of 2020; up to \$10,000 per employee for each of the first two quarters of 2021) paid to employees that are not providing services because operations were suspended or due to the decline in gross receipts. These employers can only count wages up to the amount that the employee would have been paid for working an equivalent duration during the 30 days immediately preceding the period of economic hardship (this 30-day restriction is eliminated for 2021, which allows for bonus or severance pay to be included as qualified wages).
- **If averaged 100 or fewer full-time employees during 2019 (increased to 500 or fewer full-time employees during the period 1/1/21 – 6/30/21):** qualified wages are those wages, including health care costs, (up to \$10,000 per employee for all of 2020; up to \$10,000 per employee for each of the first two quarters of 2021) paid to any employee during the period operations were suspended or the period of the decline in gross receipts, regardless of whether or not its employees are providing services.
- Cannot use wages paid with PPP loan funds (participation in the PPP loan program initially disqualified employers from the ERC; this disqualification has been removed)
- Cannot use wages for which an employer received a tax credit for Paid Sick and Family Leave under the Families First Coronavirus Response Act (see below)
- Cannot use wages covered under the Paid Family and Medical Leave (Code Section 45S, see below)
- Cannot use wages covered under the Work Opportunity Tax Credit (Code Section 51)

Definitions (continued):

Qualified Health Plan Expenses

- Amounts paid or incurred by the Eligible Employer to provide and maintain a group health plan (as defined in section 5000(b)(1) of the Internal Revenue Code), but only to the extent that those amounts are excluded from the gross income of employees
- Must be allocable to the hours for which the employees receive qualified wages

Gross Receipts (non-profit definition is different than the for-profit definition)

- Gifts, grants, contributions
- Dues and assessments
- Sales (product or service), net of returns and allowances
- Investment income, rents, and royalties
- Any UBTI

Tax Credits for Paid Sick and Family Leave

- Created under the Families First Coronavirus Response Act (“FFCRA”) passed in March 2020, amended by the COVID-related Tax Relief Act of 2020, enacted December 27, 2020
- Employers with fewer than 500 employees are eligible
- Employees may receive up to 80 hours of paid sick leave for their own health needs or family member needs if they are unable to work or telework
- Employees may also receive up to an additional ten weeks of paid family leave to care for a child whose school or place of care is closed due to COVID-19 precautions if they are unable to work or telework
- These are refundable tax credits and are based on actual paid leave, plus Medicare tax on the leave wages, plus any associated employer-paid health plan expenses:
 - Paid sick leave for employee: up to \$511 per day, per employee, for two weeks (80 hrs)
 - Paid sick leave for employee caring for a family member, paid at 2/3 of employee’s regular rate of pay: up to \$200 per day, per employee, for two weeks
 - Family leave tax credit due to COVID-19 related closure of school or care center, paid at 2/3 of employee’s regular pay: up to \$200 per day, for ten weeks
 - Advance payments available if reducing tax deposits is not sufficient to cover the credit or in lieu of reducing tax deposits – Form 7200, Advance of Employer Credits Due to COVID-19
- Initial period was April 1, 2020 through December 31, 2020; this has been extended by the Tax Relief Act of 2020 through the period ending March 31, 2021.
- New Form 941 now includes specific fields for the qualified sick and family leave wages (lines 5a(i) and 5a(ii))
- New Form 941-X now contains the FFCRA credit amounts (lines 9, 10, 28, and 29). Form 941-X is used to file an adjusted quarterly payroll tax return to claim FFCRA credits. Form 941-X must be filed within three years of the date Form 941 was filed or two years from the date the Form 941 tax was paid, whichever is later

Tax Credits for Paid Family and Medical Leave (“FMLA Credit”)

- Created under Code Section 45S for pay periods beginning after December 31, 2017, now extended through March 31, 2021
- Employers must have a written policy in place that provides at least two weeks of paid family and medical leave annually; paid leave cannot be less than 50% of the wages normally paid to that employee
- Employee must be employed for more than one year
- Employee leave must be for one or more of the following reasons:
 - Birth of a child
 - Adoption/foster care placement of a child
 - Care for a spouse, child, or parent who has a serious health condition
 - Serious health condition makes the employee unable to perform the functions of her or his position
 - Call or order for active duty in the Armed Forces
 - Care for a service member who is the employee’s spouse, child, parent, or next of kin
- Credit is a percentage of the amount of wages paid to a qualifying employee while on family and medical leave for up to 12 weeks per taxable year. The percentage starts at 12.5% and reaches a maximum rate at 25%.
- Credit is claimed by filing Form 8994, Employer Credit for Paid Family and Medical Leave and Form 3800, General Business Credit

Work Opportunity Tax Credit (“WOTC”)

- Tax credit created in 1996 by the Small Business Job Protection Act
- Incentivizes employers to hire those who have consistently experienced substantial barriers to employment
- Targeted groups include TANF recipients, SNAP recipients, veterans, those living in empowerment and enterprise zones, ex-felons, SSI recipients
- Tax credit can be as much as \$9,600 per qualifying hire
- WOTC extended through 2025
- As of February 10, 2021, a bipartisan group of Senators introduced legislation to make the WOTC a permanent part of the Tax Code
- Credit claimed by first filing Form 8850, Pre-Screening Notice and Certification Request within 28 days after an eligible employee begins work, then by filing Form 5884-C to claim a credit against the employer’s share of Social Security tax

Payroll Tax Deferral Program Starting Sept 1, 2020 – Steer Clear

- The Payroll Tax Deferral program allowed the deferral of social security taxes during the months Sept 2020 through Dec 2020.
- Requires double-withholding during Jan 2021 through April 2021 to pay back the deferred taxes.
- Administrative burdens – not all wages are eligible, the employer could decide to not defer the employer portion even when the employee desires to defer the employee portion.

Employer identification number (EIN) -

Name (not your trade name)

Trade name (if any)

Address

Number Street Suite or room number

City State ZIP code

Foreign country name Foreign province/county Foreign postal code

Return You're Correcting...

Check the type of return you're correcting.

941

941-SS

Check the ONE quarter you're correcting.

1: January, February, March

2: April, May, June

3: July, August, September

4: October, November, December

Enter the calendar year of the quarter you're correcting.

(YYYY)

Read the separate instructions before completing this form. Use this form to correct errors you made on Form 941 or 941-SS. Use a separate Form 941-X for each quarter that needs correction. Type or print within the boxes. You MUST complete all four pages. Don't attach this form to Form 941 or 941-SS unless you're reclassifying workers; see the instructions for line 36.

Part 1: Select ONLY one process. See page 5 for additional guidance.

Enter the date you discovered errors.

/ /

(MM / DD / YYYY)

- 1. Adjusted employment tax return.** Check this box if you underreported amounts. Also check this box if you overreported amounts and you would like to use the adjustment process to correct the errors. You must check this box if you're correcting both underreported and overreported amounts on this form. The amount shown on line 27, if less than zero, may only be applied as a credit to your Form 941, Form 941-SS, or Form 944 for the tax period in which you're filing this form.
- 2. Claim.** Check this box if you overreported amounts only and you would like to use the claim process to ask for a refund or abatement of the amount shown on line 27. Don't check this box if you're correcting ANY underreported amounts on this form.

Part 2: Complete the certifications.

- 3. I certify that I've filed or will file Forms W-2, Wage and Tax Statement, or Forms W-2c, Corrected Wage and Tax Statement, as required.**

Note: If you're correcting underreported amounts only, go to Part 3 on page 2 and skip lines 4 and 5. If you're correcting overreported amounts, for purposes of the certifications on lines 4 and 5, Medicare tax doesn't include Additional Medicare Tax. Form 941-X can't be used to correct overreported amounts of Additional Medicare Tax unless the amounts weren't withheld from employee wages or an adjustment is being made for the current year.

- 4. If you checked line 1 because you're adjusting overreported federal income tax, social security tax, Medicare tax, or Additional Medicare Tax, check all that apply.** You must check at least one box.

I certify that:

- a.** I repaid or reimbursed each affected employee for the overcollected federal income tax or Additional Medicare Tax for the current year and the overcollected social security tax and Medicare tax for current and prior years. For adjustments of employee social security tax and Medicare tax overcollected in prior years, I have a written statement from each affected employee stating that he or she hasn't claimed (or the claim was rejected) and won't claim a refund or credit for the overcollection.
- b.** The adjustments of social security tax and Medicare tax are for the employer's share only. I couldn't find the affected employees or each affected employee didn't give me a written statement that he or she hasn't claimed (or the claim was rejected) and won't claim a refund or credit for the overcollection.
- c.** The adjustment is for federal income tax, social security tax, Medicare tax, or Additional Medicare Tax that I didn't withhold from employee wages.

- 5. If you checked line 2 because you're claiming a refund or abatement of overreported federal income tax, social security tax, Medicare tax, or Additional Medicare Tax, check all that apply.** You must check at least one box.

I certify that:

- a.** I repaid or reimbursed each affected employee for the overcollected social security tax and Medicare tax. For claims of employee social security tax and Medicare tax overcollected in prior years, I have a written statement from each affected employee stating that he or she hasn't claimed (or the claim was rejected) and won't claim a refund or credit for the overcollection.
- b.** I have a written consent from each affected employee stating that I may file this claim for the employee's share of social security tax and Medicare tax. For refunds of employee social security tax and Medicare tax overcollected in prior years, I also have a written statement from each affected employee stating that he or she hasn't claimed (or the claim was rejected) and won't claim a refund or credit for the overcollection.
- c.** The claim for social security tax and Medicare tax is for the employer's share only. I couldn't find the affected employees, or each affected employee didn't give me a written consent to file a claim for the employee's share of social security tax and Medicare tax, or each affected employee didn't give me a written statement that he or she hasn't claimed (or the claim was rejected) and won't claim a refund or credit for the overcollection.
- d.** The claim is for federal income tax, social security tax, Medicare tax, or Additional Medicare Tax that I didn't withhold from employee wages.

Next

Part 3: Enter the corrections for this quarter. If any line doesn't apply, leave it blank.

	Column 1 <i>Total corrected amount (for ALL employees)</i>		Column 2 <i>Amount originally reported or as previously corrected (for ALL employees)</i>		Column 3 <i>Difference (If this amount is a negative number, use a minus sign.)</i>	Column 4 <i>Tax correction</i>
6. Wages, tips, and other compensation (Form 941, line 2)	<input type="text"/>	–	<input type="text"/>	=	<input type="text"/>	Use the amount in Column 1 when you prepare your Forms W-2 or Forms W-2c.
7. Federal income tax withheld from wages, tips, and other compensation (Form 941, line 3)	<input type="text"/>	–	<input type="text"/>	=	<input type="text"/>	Copy Column 3 here ▶ <input type="text"/>
8. Taxable social security wages (Form 941 or 941-SS, line 5a, Column 1)	<input type="text"/>	–	<input type="text"/>	=	<input type="text"/>	× 0.124* = <input type="text"/>
* If you're correcting your employer share only, use 0.062. See instructions.						
9. Qualified sick leave wages (Form 941 or 941-SS, line 5a(i), Column 1)	<input type="text"/>	–	<input type="text"/>	=	<input type="text"/>	× 0.062 = <input type="text"/>
10. Qualified family leave wages (Form 941 or 941-SS, line 5a(ii), Column 1)	<input type="text"/>	–	<input type="text"/>	=	<input type="text"/>	× 0.062 = <input type="text"/>
11. Taxable social security tips (Form 941 or 941-SS, line 5b, Column 1)	<input type="text"/>	–	<input type="text"/>	=	<input type="text"/>	× 0.124* = <input type="text"/>
* If you're correcting your employer share only, use 0.062. See instructions.						
12. Taxable Medicare wages & tips (Form 941 or 941-SS, line 5c, Column 1)	<input type="text"/>	–	<input type="text"/>	=	<input type="text"/>	× 0.029* = <input type="text"/>
* If you're correcting your employer share only, use 0.0145. See instructions.						
13. Taxable wages & tips subject to Additional Medicare Tax withholding (Form 941 or 941-SS, line 5d)	<input type="text"/>	–	<input type="text"/>	=	<input type="text"/>	× 0.009* = <input type="text"/>
* Certain wages and tips reported in Column 3 shouldn't be multiplied by 0.009. See instructions.						
14. Section 3121(q) Notice and Demand—Tax due on unreported tips (Form 941 or 941-SS, line 5f)	<input type="text"/>	–	<input type="text"/>	=	<input type="text"/>	Copy Column 3 here ▶ <input type="text"/>
15. Tax adjustments (Form 941 or 941-SS, lines 7 through 9)	<input type="text"/>	–	<input type="text"/>	=	<input type="text"/>	Copy Column 3 here ▶ <input type="text"/>
16. Qualified small business payroll tax credit for increasing research activities (Form 941 or 941-SS, line 11a; you must attach Form 8974)	<input type="text"/>	–	<input type="text"/>	=	<input type="text"/>	See instructions <input type="text"/>
17. Nonrefundable portion of credit for qualified sick and family leave wages (Form 941 or 941-SS, line 11b)	<input type="text"/>	–	<input type="text"/>	=	<input type="text"/>	See instructions <input type="text"/>
18. Nonrefundable portion of employee retention credit (Form 941 or 941-SS, line 11c)	<input type="text"/>	–	<input type="text"/>	=	<input type="text"/>	See instructions <input type="text"/>
19. Special addition to wages for federal income tax	<input type="text"/>	–	<input type="text"/>	=	<input type="text"/>	See instructions <input type="text"/>
20. Special addition to wages for social security taxes	<input type="text"/>	–	<input type="text"/>	=	<input type="text"/>	See instructions <input type="text"/>
21. Special addition to wages for Medicare taxes	<input type="text"/>	–	<input type="text"/>	=	<input type="text"/>	See instructions <input type="text"/>
22. Special addition to wages for Additional Medicare Tax	<input type="text"/>	–	<input type="text"/>	=	<input type="text"/>	See instructions <input type="text"/>
23. Combine the amounts on lines 7 through 22 of Column 4					<input type="text"/>
24. Deferred amount of social security tax* (Form 941 or 941-SS, line 13b)	<input type="text"/>	–	<input type="text"/>	=	<input type="text"/>	See instructions <input type="text"/>
* Use this line to correct the employer deferral for the second quarter of 2020 and the employer and employee deferral for the third and fourth quarters of 2020.						
25. Refundable portion of credit for qualified sick and family leave wages (Form 941 or 941-SS, line 13c)	<input type="text"/>	–	<input type="text"/>	=	<input type="text"/>	See instructions <input type="text"/>

Part 3: Enter the corrections for this quarter. If any line doesn't apply, leave it blank. (continued)

	Column 1 <i>Total corrected amount (for ALL employees)</i>	-	Column 2 <i>Amount originally reported or as previously corrected (for ALL employees)</i>	=	Column 3 <i>Difference (If this amount is a negative number, use a minus sign.)</i>		Column 4 <i>Tax correction</i>
26. Refundable portion of employee retention credit (Form 941 or 941-SS, line 13d)	<input style="width:100%;" type="text"/>	-	<input style="width:100%;" type="text"/>	=	<input style="width:100%;" type="text"/>	See instructions	<input style="width:100%;" type="text"/>
27. Total. Combine the amounts on lines 23 through 26 of Column 4							<input style="width:100%;" type="text"/>
If line 27 is less than zero:							
<ul style="list-style-type: none"> • If you checked line 1, this is the amount you want applied as a credit to your Form 941 or 941-SS for the tax period in which you're filing this form. (If you're currently filing a Form 944, Employer's ANNUAL Federal Tax Return, see the instructions.) • If you checked line 2, this is the amount you want refunded or abated. 							
If line 27 is more than zero, this is the amount you owe. Pay this amount by the time you file this return. For information on how to pay, see <i>Amount you owe</i> in the instructions.							
28. Qualified health plan expenses allocable to qualified sick leave wages (Form 941 or 941-SS, line 19)	<input style="width:100%;" type="text"/>	-	<input style="width:100%;" type="text"/>	=	<input style="width:100%;" type="text"/>		
29. Qualified health plan expenses allocable to qualified family leave wages (Form 941 or 941-SS, line 20)	<input style="width:100%;" type="text"/>	-	<input style="width:100%;" type="text"/>	=	<input style="width:100%;" type="text"/>		
30. Qualified wages for the employee retention credit (Form 941 or 941-SS, line 21)	<input style="width:100%;" type="text"/>	-	<input style="width:100%;" type="text"/>	=	<input style="width:100%;" type="text"/>		
31. Qualified health plan expenses allocable to wages reported on Form 941 or 941-SS, line 21 (Form 941 or 941-SS, line 22)	<input style="width:100%;" type="text"/>	-	<input style="width:100%;" type="text"/>	=	<input style="width:100%;" type="text"/>		
32. Credit from Form 5884-C, line 11, for this quarter (Form 941 or 941-SS, line 23)	<input style="width:100%;" type="text"/>	-	<input style="width:100%;" type="text"/>	=	<input style="width:100%;" type="text"/>		
33a. Qualified wages paid March 13 through March 31, 2020, for the employee retention credit (use this line to correct only the second quarter of 2020) (Form 941 or 941-SS, line 24)	<input style="width:100%;" type="text"/>	-	<input style="width:100%;" type="text"/>	=	<input style="width:100%;" type="text"/>		
33b. Deferred amount of the employee share of social security tax included on Form 941 or 941-SS, line 13b (use this line to correct only the third and fourth quarters of 2020) (Form 941 or 941-SS, line 24)	<input style="width:100%;" type="text"/>	-	<input style="width:100%;" type="text"/>	=	<input style="width:100%;" type="text"/>		
34. Qualified health plan expenses allocable to wages reported on Form 941 or 941-SS, line 24 (use this line to correct only the second quarter of 2020) (Form 941 or 941-SS, line 25)	<input style="width:100%;" type="text"/>	-	<input style="width:100%;" type="text"/>	=	<input style="width:100%;" type="text"/>		

Employer identification number (EIN) -

Name (not your trade name)

Trade name (if any)

Address

Number Street Suite or room number

City State ZIP code

Foreign country name Foreign province/county Foreign postal code

Report for this Quarter of 2021
 (Check one.)

1: January, February, March

2: April, May, June

3: July, August, September

4: October, November, December

Go to www.irs.gov/Form941 for instructions and the latest information.

DRAFT AS OF January 29, 2021

Read the separate instructions before you complete Form 941. Type or print within the boxes.

Part 1: Answer these questions for this quarter.

1 Number of employees who received wages, tips, or other compensation for the pay period including: *Mar. 12* (Quarter 1), *June 12* (Quarter 2), *Sept. 12* (Quarter 3), or *Dec. 12* (Quarter 4) 1

2 Wages, tips, and other compensation 2

3 Federal income tax withheld from wages, tips, and other compensation 3

4 If no wages, tips, and other compensation are subject to social security or Medicare tax Check and go to line 6.

	Column 1		Column 2
5a Taxable social security wages . . .	<input type="text"/>	× 0.124 =	<input type="text"/>
5a (i) Qualified sick leave wages . . .	<input type="text"/>	× 0.062 =	<input type="text"/>
5a (ii) Qualified family leave wages . . .	<input type="text"/>	× 0.062 =	<input type="text"/>
5b Taxable social security tips . . .	<input type="text"/>	× 0.124 =	<input type="text"/>
5c Taxable Medicare wages & tips . . .	<input type="text"/>	× 0.029 =	<input type="text"/>
5d Taxable wages & tips subject to Additional Medicare Tax withholding <input type="text"/>	<input type="text"/>	× 0.009 =	<input type="text"/>

5e Total social security and Medicare taxes. Add Column 2 from lines 5a, 5a(i), 5a(ii), 5b, 5c, and 5d 5e

5f Section 3121(q) Notice and Demand—Tax due on unreported tips (see instructions) . . . 5f

6 Total taxes before adjustments. Add lines 3, 5e, and 5f 6

7 Current quarter's adjustment for fractions of cents 7

8 Current quarter's adjustment for sick pay 8

9 Current quarter's adjustments for tips and group-term life insurance 9

10 Total taxes after adjustments. Combine lines 6 through 9 10

11a Qualified small business payroll tax credit for increasing research activities. Attach Form 8974 11a

11b Nonrefundable portion of credit for qualified sick and family leave wages from Worksheet 1 11b

11c Nonrefundable portion of employee retention credit from Worksheet 1 11c

Name (not your trade name)

Employer identification number (EIN)

Part 1: Answer these questions for this quarter. (continued)

- 11d Total nonrefundable credits. Add lines 11a, 11b, and 11c 11d
- 12 Total taxes after adjustments and nonrefundable credits. Subtract line 11d from line 10 12
- 13a Total deposits for this quarter, including overpayment applied from a prior quarter and overpayments applied from Form 941-X, 941-X (PR), 944-X, or 944-X (SP) filed in the current quarter 13a
- 13b Reserved for future use 13b
- 13c Refundable portion of credit for qualified sick and family leave wages from Worksheet 1 13c
- 13d Refundable portion of employee retention credit from Worksheet 1 13d
- 13e Total deposits and refundable credits. Add lines 13a, 13c, and 13d 13e
- 13f Total advances received from filing Form(s) 7200 for the quarter 13f
- 13g Total deposits and refundable credits less advances. Subtract line 13f from line 13e 13g
- 14 Balance due. If line 12 is more than line 13g, enter the difference and see instructions 14
- 15 Overpayment. If line 13g is more than line 12, enter the difference Check one: Apply to next return. Send a refund.

Part 2: Tell us about your deposit schedule and tax liability for this quarter.

If you're unsure about whether you're a monthly schedule depositor or a semiweekly schedule depositor, see section 11 of Pub. 15.

16 Check one: Line 12 on this return is less than \$2,500 or line 12 on the return for the prior quarter was less than \$2,500, and you didn't incur a \$100,000 next-day deposit obligation during the current quarter. If line 12 for the prior quarter was less than \$2,500 but line 12 on this return is \$100,000 or more, you must provide a record of your federal tax liability. If you're a monthly schedule depositor, complete the deposit schedule below; if you're a semiweekly schedule depositor, attach Schedule B (Form 941). Go to Part 3.

You were a monthly schedule depositor for the entire quarter. Enter your tax liability for each month and total liability for the quarter, then go to Part 3.

Tax liability: Month 1

Month 2

Month 3

Total liability for quarter

Total must equal line 12.

You were a semiweekly schedule depositor for any part of this quarter. Complete Schedule B (Form 941), Report of Tax Liability for Semiweekly Schedule Depositors, and attach it to Form 941. Go to Part 3.

▶ You MUST complete all three pages of Form 941 and SIGN it.

Next ▶

Name (not your trade name)

Employer identification number (EIN)

Part 3: Tell us about your business. If a question does NOT apply to your business, leave it blank.

- 17 If your business has closed or you stopped paying wages... 18 If you're a seasonal employer... 19 Qualified health plan expenses allocable to qualified sick leave wages... 20 Qualified health plan expenses allocable to qualified family leave wages... 21 Qualified wages for the employee retention credit... 22 Qualified health plan expenses allocable to wages reported on line 21... 23 Credit from Form 5884-C, line 11, for this quarter... 24 Reserved for future use... 25 Reserved for future use...

Part 4: May we speak with your third-party designee?

Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS? See the instructions for details.

Yes. Designee's name and phone number

Select a 5-digit personal identification number (PIN) to use when talking to the IRS.

No.

Part 5: Sign here. You MUST complete all three pages of Form 941 and SIGN it.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.



Sign your name here

Signature box

Print your name here

Name box

Print your title here

Title box

Date

Best daytime phone

Paid Preparer Use Only

Check if you're self-employed

Preparer's name

PTIN

Preparer's signature

Date

Firm's name (or yours if self-employed)

EIN

Address

Phone

City State

ZIP code

Advance Payment of Employer Credits Due to COVID-19

OMB No. 1545-0029

▶ Go to www.irs.gov/Form7200 for instructions and the latest information.

Name (not your trade name)		Employer identification number (EIN)
Trade name (if any)	Applicable calendar quarter (check one)	
Number, street, and apt. or suite no. If a P.O. box, see instructions.	<input type="checkbox"/> (2) April, May, June	
	<input type="checkbox"/> (3) July, August, September	
	<input type="checkbox"/> (4) October, November, December	
City or town, state, and ZIP code. If a foreign address, also complete spaces below. (See instructions.)		
Foreign country name	Foreign province/county	Foreign postal code
Does a third-party payer file your employment tax return? (See instructions.) If "Yes," enter its name.		Third-party payer's EIN (if applicable)

Tip: File Form 7200 if you can't reduce your employment tax deposits to fully account for these credits that you expect to claim on your employment tax return for the applicable quarter. Don't reduce your employment tax deposits and request advanced credits for the same expected credits. You will need to reconcile your advanced credits and reduced deposits on your employment tax return. You can't request an advance payment of the credit for sick and family leave for self-employed individuals.

Part I Tell Us About Your Employment Tax Return

- A** Check the box to indicate which employment tax return form you file (or will file for 2020):
(1) 941, 941-PR, or 941-SS **(2)** 943 or 943-PR **(3)** 944 or 944(SP) **(4)** CT-1
- B** Is this a new business started on or after January 1, 2020? ▶ **Yes** **No**
 If "Yes," skip line C unless you've already filed Form 941, Form 941-PR, or Form 941-SS for at least one quarter of 2020.
- C** Amount reported on line 2 of your most recently filed Form 941 (or wages reported on Schedule R (Form 941), column (c), by your third-party payer (see instructions)). If you file a different employment tax return, see instructions ▶ _____
- D** Enter the total number of employees you have. See instructions ▶ _____

Part II Enter Your Credits and Advance Requested

1 Total employee retention credit for the quarter. See instructions	1	
2 Total qualified sick leave wages eligible for the credit and paid this quarter. See instructions	2	
3 Total qualified family leave wages eligible for the credit and paid this quarter. See instructions	3	
4 Add lines 1, 2, and 3	4	
5 Total amount by which you have already reduced your federal employment tax deposits for these credits for this quarter	5	
6 Total advanced credits requested on previous filings of this form for this quarter	6	
7 Add lines 5 and 6	7	
8 Advance requested. Subtract line 7 from line 4. If zero or less, don't file this form	8	

Third-Party Designee Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS? See the instructions for details. **Yes.** Complete below. **No**

Designee's name ▶ _____ and phone number ▶ _____

Select a 5-digit personal identification number (PIN) to use when talking to the IRS ▶

Sign Here Under penalties of perjury, I declare that I have examined this form, including any accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Printed title
Printed name		Best daytime phone

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	PTIN	Check <input type="checkbox"/> if self-employed
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

How To File Fax your completed form to 855-248-0552.

Advance Payment of Employer Credits Due to COVID-19

OMB No. 1545-0029

► Go to www.irs.gov/Form7200 for instructions and the latest information.

Name (not your trade name)		Employer identification number (EIN)	
Trade name (if any)		Applicable calendar quarter in 2021 (check only one box) Caution: See instructions before completing to determine if the credits and advance are available for the applicable quarter in 2021.	
Number, street, and apt. or suite no. If a P.O. box, see instructions.		(1) <input type="checkbox"/> January, February, March (2) <input type="checkbox"/> April, May, June (3) <input type="checkbox"/> July, August, September (4) <input type="checkbox"/> October, November, December	
City or town, state, and ZIP code. If a foreign address, also complete spaces below. (See instructions.)			
Foreign country name	Foreign province/county	Foreign postal code	
Name on employment tax return (third-party payer) that will report the wages and credits related to the advance you're requesting in Part II (leave blank if return is filed under your name and EIN). See instructions.		EIN on employment tax return (if other than your own)	

Tip: File Form 7200 if you can't reduce your employment tax deposits to fully account for these credits that you expect to claim on your employment tax return for the applicable quarter, or year if you file an annual return. Don't reduce your employment tax deposits and request advanced credits for the same expected credits. You will need to reconcile your advanced credits and reduced deposits on your employment tax return. You can't request an advance payment of the credit for sick and family leave for self-employed individuals.

Part I Tell Us About Your Employment Tax Return

- A** Check the box to indicate which employment tax return form you file (or will file for 2021). Check only one box.
(1) 941, 941-PR, or 941-SS **(2)** 943 or 943-PR **(3)** 944 or 944(SP) **(4)** CT-1
- B** Is this a business that started on or after January 1, 2020? You must check one box. ► **Yes** **No**
- C** Amount reported on line 2 of your most recently filed Form 941 (or wages reported on Schedule R (Form 941), column (d), by your third-party payer (see instructions)). If you file a different employment tax return or have never filed one, see instructions ► _____
- D** Tax period of most recently filed Form 941 (for example, "Q4 2020") or annual employment tax return (for example, "2020") ► _____
- E** If you're requesting an advance payment of the employee retention credit (Part II, line 1), enter the average number of full-time employees you had in 2019 (or 2020 if your business wasn't in existence in 2019). Aggregation rules apply. See instructions ► _____
- F** If you're requesting an advance payment for qualified sick and/or family leave wages (Part II, lines 2 and/or 3), enter the number of employees you had when qualified leave was taken during the quarter for the advance requested. See instructions ► _____

Part II Enter Your Credits and Advance Requested

1 Total employee retention credit for the quarter. Don't enter more than the amount eligible to be advanced for the quarter. See instructions	1	
2 Total qualified sick leave wages eligible for the credit and paid this quarter. See instructions	2	
3 Total qualified family leave wages eligible for the credit and paid this quarter. See instructions	3	
4 Add lines 1, 2, and 3	4	
5 Total amount by which you have already reduced your federal employment tax deposits for these credits for this quarter. Enter as a positive number	5	
6 Total advanced credits requested on previous filings of this form for this quarter	6	
7 Add lines 5 and 6	7	
8 Advance requested. Subtract line 7 from line 4. If zero or less, don't file this form	8	

Third-Party Designee Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS? See the instructions for details. **Yes.** Complete below. **No**

Designee's name ► _____ and phone number ► _____

Select a 5-digit personal identification number (PIN) to use when talking to the IRS ►

Sign Here Under penalties of perjury, I declare that I have examined this form, including any accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Printed title
Printed name	Best daytime phone	

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	PTIN	Check <input type="checkbox"/> if self-employed
Firm's name ►	Firm's EIN ►			
Firm's address ►	Phone no.			

How To File Fax your completed form to 855-248-0552.

Name(s) shown on return

Identifying number

Part I Current Year Credit for Credits Not Allowed Against Tentative Minimum Tax (TMT)
(See instructions and complete Part(s) III before Parts I and II.)

1	General business credit from line 2 of all Parts III with box A checked		1
2	Passive activity credits from line 2 of all Parts III with box B checked	2	
3	Enter the applicable passive activity credits allowed for 2020. See instructions		3
4	Carryforward of general business credit to 2020. Enter the amount from line 2 of Part III with box C checked. See instructions for statement to attach		4
	Check this box if the carryforward was changed or revised from the original reported amount		<input type="checkbox"/>
5	Carryback of general business credit from 2021. Enter the amount from line 2 of Part III with box D checked. See instructions		5
6	Add lines 1, 3, 4, and 5		6

Part II Allowable Credit

7	Regular tax before credits:		
	• Individuals. Enter the sum of the amounts from Form 1040, 1040-SR, or 1040-NR, line 16, and Schedule 2 (Form 1040), line 2	}	7
	• Corporations. Enter the amount from Form 1120, Schedule J, Part I, line 2; or the applicable line of your return		
	• Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b; or the amount from the applicable line of your return		
8	Alternative minimum tax:		
	• Individuals. Enter the amount from Form 6251, line 11	}	8
	• Corporations. Enter -0-		
	• Estates and trusts. Enter the amount from Schedule I (Form 1041), line 54		
9	Add lines 7 and 8		9
10a	Foreign tax credit	10a	
b	Certain allowable credits (see instructions)	10b	
c	Add lines 10a and 10b		10c
11	Net income tax. Subtract line 10c from line 9. If zero, skip lines 12 through 15 and enter -0- on line 16		11
12	Net regular tax. Subtract line 10c from line 7. If zero or less, enter -0-	12	
13	Enter 25% (0.25) of the excess, if any, of line 12 over \$25,000. See instructions	13	
14	Tentative minimum tax:		
	• Individuals. Enter the amount from Form 6251, line 9	}	14
	• Corporations. Enter -0-		
	• Estates and trusts. Enter the amount from Schedule I (Form 1041), line 52		
15	Enter the greater of line 13 or line 14		15
16	Subtract line 15 from line 11. If zero or less, enter -0-		16
17	Enter the smaller of line 6 or line 16		17
	C corporations: See the line 17 instructions if there has been an ownership change, acquisition, or reorganization.		

Part II Allowable Credit *(continued)*

Note: If you are not required to report any amounts on line 22 or 24 below, skip lines 18 through 25 and enter -0- on line 26.

18	Multiply line 14 by 75% (0.75). See instructions	18	
19	Enter the greater of line 13 or line 18	19	
20	Subtract line 19 from line 11. If zero or less, enter -0-	20	
21	Subtract line 17 from line 20. If zero or less, enter -0-	21	
22	Combine the amounts from line 3 of all Parts III with box A, C, or D checked	22	
23	Passive activity credit from line 3 of all Parts III with box B checked	23	
24	Enter the applicable passive activity credit allowed for 2020. See instructions	24	
25	Add lines 22 and 24	25	
26	Empowerment zone and renewal community employment credit allowed. Enter the smaller of line 21 or line 25	26	
27	Subtract line 13 from line 11. If zero or less, enter -0-	27	
28	Add lines 17 and 26	28	
29	Subtract line 28 from line 27. If zero or less, enter -0-	29	
30	Enter the general business credit from line 5 of all Parts III with box A checked	30	
31	Reserved	31	
32	Passive activity credits from line 5 of all Parts III with box B checked	32	
33	Enter the applicable passive activity credits allowed for 2020. See instructions	33	
34	Carryforward of business credit to 2020. Enter the amount from line 5 of Part III with box C checked and line 6 of Part III with box G checked. See instructions for statement to attach Check this box if the carryforward was changed or revised from the original reported amount <input type="checkbox"/>	34	
35	Carryback of business credit from 2021. Enter the amount from line 5 of Part III with box D checked. See instructions	35	
36	Add lines 30, 33, 34, and 35	36	
37	Enter the smaller of line 29 or line 36	37	
38	Credit allowed for the current year. Add lines 28 and 37. Report the amount from line 38 (if smaller than the sum of Part I, line 6, and Part II, lines 25 and 36, see instructions) as indicated below or on the applicable line of your return. • Individuals. Schedule 3 (Form 1040), line 6 } • Corporations. Form 1120, Schedule J, Part I, line 5c } • Estates and trusts. Form 1041, Schedule G, line 2b }	38	

Name(s) shown on return

Identifying number

Part III General Business Credits or Eligible Small Business Credits (see instructions)

Complete a separate Part III for each box checked below. See instructions.

- A** General Business Credit From a Non-Passive Activity **E** Reserved
- B** General Business Credit From a Passive Activity **F** Reserved
- C** General Business Credit Carryforwards **G** Eligible Small Business Credit Carryforwards
- D** General Business Credit Carrybacks **H** Reserved

I If you are filing more than one Part III with box A or B checked, complete and attach first an additional Part III combining amounts from all Parts III with box A or B checked. Check here if this is the consolidated Part III

(a) Description of credit		(b) Enter EIN if claiming the credit from a pass-through entity.	(c) Enter the appropriate amount.
Note: On any line where the credit is from more than one source, a separate Part III is needed for each pass-through entity.			
1a	Investment (Form 3468, Part II only) (attach Form 3468)	1a	
b	Reserved	1b	
c	Increasing research activities (Form 6765)	1c	
d	Low-income housing (Form 8586, Part I only)	1d	
e	Disabled access (Form 8826)*.	1e	
f	Renewable electricity, refined coal, and Indian coal production (Form 8835)	1f	
g	Indian employment (Form 8845)	1g	
h	Orphan drug (Form 8820)	1h	
i	New markets (Form 8874)	1i	
j	Small employer pension plan startup costs and auto-enrollment (Form 8881)	1j	
k	Employer-provided child care facilities and services (Form 8882)*	1k	
l	Biodiesel and renewable diesel fuels (attach Form 8864)	1l	
m	Low sulfur diesel fuel production (Form 8896)	1m	
n	Distilled spirits (Form 8906)	1n	
o	Nonconventional source fuel (carryforward only)	1o	
p	Energy efficient home (Form 8908)	1p	
q	Energy efficient appliance (carryforward only)	1q	
r	Alternative motor vehicle (Form 8910)	1r	
s	Alternative fuel vehicle refueling property (Form 8911)	1s	
t	Enhanced oil recovery credit (carryforward only)	1t	
u	Mine rescue team training (Form 8923)	1u	
v	Agricultural chemicals security (carryforward only)	1v	
w	Employer differential wage payments (Form 8932)	1w	
x	Carbon oxide sequestration (Form 8933)	1x	
y	Qualified plug-in electric drive motor vehicle (Form 8936)	1y	
z	Qualified plug-in electric vehicle (carryforward only)	1z	
aa	Employee retention (Form 5884-A)	1aa	
bb	General credits from an electing large partnership (carryforward only)	1bb	
zz	Other. Oil and gas production from marginal wells (Form 8904) and certain other credits (see instructions)	1zz	
2	Add lines 1a through 1zz and enter here and on the applicable line of Part I	2	
3	Enter the amount from Form 8844 here and on the applicable line of Part II	3	
4a	Investment (Form 3468, Part III) (attach Form 3468)	4a	
b	Work opportunity (Form 5884)	4b	
c	Biofuel producer (Form 6478)	4c	
d	Low-income housing (Form 8586, Part II)	4d	
e	Renewable electricity, refined coal, and Indian coal production (Form 8835)	4e	
f	Employer social security and Medicare taxes paid on certain employee tips (Form 8846)	4f	
g	Qualified railroad track maintenance (Form 8900)	4g	
h	Small employer health insurance premiums (Form 8941)	4h	
i	Increasing research activities (Form 6765)	4i	
j	Employer credit for paid family and medical leave (Form 8994)	4j	
z	Other	4z	
5	Add lines 4a through 4z and enter here and on the applicable line of Part II	5	
6	Add lines 2, 3, and 5 and enter here and on the applicable line of Part II	6	

* See instructions for limitation on this credit.