ELM

EMPLOYEE LIABILITY MANAGEMENT, INC.

8/3/2021 Update on ERTC Credits

We have received many forms over the last few weeks and are actively processing them. Once we get a few in, we prepare a corrected 941 form and send that into the IRS requesting a refund. From talking to the IRS and many accountants, it is clear that the IRS is running several months behind with just their normal workload. Therefore, it is almost impossible to determine when these refunds will start being issued. We promise to get them to you as soon as we receive them.

We also wanted to put out a little warning about things you might be hearing on the streets. You had two options on processing these refunds. One is the method that we and most accountants are using which is to file a corrected 941 and wait for a check. The other method was to request an advance on expected returns via the 7200 Form. In order to use this method, the form had to be submitted prior to the end of the quarter that you were requesting the refund. This method wasn't available to us since we didn't receive the vast majority of the forms prior to the time expiring.

We have also experienced a few clients that are using external companies that advertise quick turn around times if they process the return for you in exchange for a fee. We would warn against using these companies unless you have a long-standing existing relationship with them. Our concern is that if any questions arise down the road from the IRS that they will be available to assist you if necessary. Ultimately, you are responsible for the accuracy of the data so you want to make sure you are very comfortable with their results.

Lastly, we ask for your patience. You may hear about some people already getting their returns and that very well might be the case. However, they might have used a different method than you did or they might have simply got lucky. There is really no set method for how and in what order the IRS is processing these returns which makes it impossible to predict when they will become available.

Thank You

Your Staff at ELM