



EMPLOYEE LIABILITY MANAGEMENT, INC.

ERTC Credits December 3, 2021 Update

A Few Words of Caution

We have seen a lot of companies, attorneys and out of town accountants springing up and offering to file for these ERTC credits on your behalf for a fee. Please remember that regardless of who calculates the tax credits or verifies eligibility, you alone will be responsible for any errors or mis-filings. **We can't emphasize enough how important it is for everyone to consult with their own accountant/tax professional before engaging any outside services.** From what we can tell, the IRS is too backed up to determine eligibility and accuracy so they are just issuing refunds on what is submitted. We would imagine that the audit phase will be handled at a later time.

If you do decide to use one of these outside experts, we would recommend at least comparing **fees** to make sure you are getting the best deal possible. We have heard some of the fees are up to as much as 25% of the credit. That could really add up. The calculation isn't easy and does require some balancing between PPP and ERTC. However, it doesn't require any extraordinary knowledge or training, just time and patience.

We have also heard of folks promising **quick turnaround times** on getting their refunds issued by the IRS. You will hear a few stories about so and so getting their refunds relatively quick and that could be true. However, the IRS is going to work at their own pace and in whatever manner they choose and no one has a special formula to change that. It is going to take time no matter what anyone promises.

Also, **all the filings must go through ELM for processing.** Please do not let anyone send anything directly to the IRS for you with regard to these credits. We don't charge anything for handling this end for you. We just want to make sure that everything is processed accurately and correctly to avoid problems down the road or additional delays now. We will submit the corrected 941 on your behalf directly to the IRS for processing. We just need the information broken down by quarter, on company letterhead and signed by you or your authorized representative.

Lastly, these **credits could have an impact upon your company tax return.** Therefore, make sure whoever handles that for you is aware of the credit so they can make whatever adjustments necessary.



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Filing Update

We also wanted to take a minute and let everyone know where we are regarding ERTC tax credits. We have completed our 1st round of filings for Quarters 1 – 4 2020 and in the process of submitting 2021. The IRS has let us know they received the information and has asked for more time to process on their end. It appears that they are still running 6-9 months behind.

Please remember that back in April we asked everyone to submit their refund requests by the dates below in order for your company to make Round 1 of the filings. It's perfectly fine if you sent your data after these dates because they will be filed. However, they will be included on the 2nd round of filings for each quarter. Once 2021 Round 1 filings are complete, we will then begin filing round 2. We apologize for having to process them in this manner but otherwise it would have been impossible to manage and could cause additional delays in processing by the IRS.

- **2nd Qtr 2020** ERTC credits – please submit your 7200 form or letter by **May 31, 2021**
- **3rd Qtr 2020** ERTC credits – please submit your 7200 form or letter by **June 30, 2021**
- **4th Qtr 2020** ERTC credits – please submit your 7200 form or letter by **July 31, 2021**
- **1st Qtr 2021** ERTC credits – please submit your 7200 or letter form by **August 31, 2021**
- **2nd Qtr 2021** ERTC credits – please submit your 7200 or letter form by **Sept 30, 2021**

Our goal is for every client that qualifies for the credit to get it accurately, timely (IRS timely) and try to avoid any problems down the road. We are here to help and will be happy to run any reports that you need. Please send those requests to joe@elminfo.com.

Thank you for your patience and as always thank you for your business!

Your Staff @ ELM