

How to Make the Most of the Employee Retention Tax Credit (ERTC) | Video Transcript

Andy Bertke
Nick Pennekamp
Kat Jenkins

Kat Jenkins:

Hi, and welcome to Barnes Dennig Ask the Experts. I'm Marketing Director, Kat Jenkins and today Andy Bertke and Nick Pennekamp, top tax pros from our Barnes Dennig COVID-19 advisory team are going to unpack some key provisions and answer questions about the employee retention tax credit or ERC. Please join me in welcoming Andy and Nick.

Nick Pennekamp:

Always good to talk some ERC credits. I know it's been a lot of help for a lot of our clients. Andy, first and foremost, who qualifies for the ERC credit?

Andy Bertke:

Well, great question. This credit has such a broad spectrum. I mean, there are things when I first heard about this credit that I was like a doctor's office, well, and hospitals. Oh, that business must be booming there. Right? There's a pandemic. Well, no. Doctors' offices and hospitals were shut down from routine examinations. So the things that you would think during a pandemic don't always pan out. So no pun intended, but is amazing about all the business lines and industries that do qualify for this credit. So I'd answer that question by just about everyone.

Nick Pennekamp:

And what are some of the potential impacts of the employee retention credit?

Andy Bertke:

Well, the biggest impact is the money and companies, whether you're a restaurant, I feel badly for all the restaurant owners out there. It was horrendous for them. And PPP was a great program. Admittedly, the government really did its job and it got behind small business. But it wasn't enough. And at the time you couldn't enjoy the ERTC and the PPP loan funds together. It was one or the other. So when I look at the impact, again, it's the money, it's more money being funded to where it needs to be in small business, which is the engine of this country.

Nick Pennekamp:

Any watch-out or concerns we should be aware of?

Andy Bertke:

The laws are very complex. It sounds very simple at the surface when you say I get a \$5,000 credit per person, per employee, and \$7,000 credit per employee, per quarter and 2021 – sounds real simple. But we have been operating in this with very little guidance from the IRS. Again, the laws are very complex. There are a lot of interactions with the PPP loan and the ERTC credit, even though you still get them, you still have to integrate one with the other. There are work opportunity tax credits to integrate with this. There are government orders that are all throughout the country that complicate it. What is a government order? Is that a partial shutdown? Is that a full shutdown? Is that a shutdown at all? So a lot to be aware of, and just having someone who knows, who has been studying these laws for whatever's out there and the guidance provided by the IRS is on top of it.

Nick Pennekamp:

All right, what should we do if we think we qualify for the ERTC credit, what's the next steps that the clients should be taking?

Andy Bertke:

Well, Nick, on our team, we are pretty much cutting edge and we designed a quick test that basically the management of the company can take in three to five minutes and you complete that, you return it to us and we will look at it. And it's not a yes or no answer because there's, granted there's 10 or 13, 15 questions, and some people will answer one that indicates that they do get the credit and maybe they indicate another one that says, no, we don't think they get the credit. However, we dig in. We're CPAs, we're going to dig in and we're going to get to the bottom of it. So just by filling out the quick test, you've taken a large stride in seeing if you do qualify. And a lot of times it results in a qualification that certainly helps out the company.

Nick Pennekamp:

All right. Great. Thanks for the insight, Andy.

Kat Jenkins:

Andy and Nick, that's great information. The ERTC is so important for so many organizations, so really appreciate your insights and ideas on what companies and organizations should do if they think they qualify. If you do think you qualify for the ERTC, please do take the ERTC quick test. There's a link at the end of this video, or you can just contact us at [barnesdennig.com](https://www.barnesdennig.com) to set up a conversation with one of our COVID-19 advisory team pros. We'll see you next on Ask the Experts.

Take the QuickTest: <https://www.barnesdennig.com/erc-tax-credit-qualify/>