The New Tax Credits Teaser Video Transcript

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Andy Bertke ([00:08](https://www.rev.com/transcript-editor/Edit?token=oLH6ttE8mxulctiFBtRG9os_tjGAFUCmAZKGit7SuUDC6qFgftRmL68YNEBaF28WztPWfzUgxnzYV4M3FJWm4jl3bEM&loadFrom=DocumentDeeplink&ts=8.75)):

Jenn, thank you for hosting this and thanks for everybody out there taking the time out of your day to listen to us talk about credits. Sounds boring, but they are very, very powerful credits. They become a pretty large number very quickly. Again, I know you're all busy out there with work and NCAA brackets, but if your brackets are anything like mine, you don't have anything else to watch.

Andy Bertke ([00:37](https://www.rev.com/transcript-editor/Edit?token=8Whu_hoWbnp0R7Cf8ABP1hdJeZ9lcw8L5CsvW1L0KOh6K1kxrwvXHlxrZ9wq80uO5-LESZTKl2s7jYc_L2mOJNlYk4I&loadFrom=DocumentDeeplink&ts=37.97)):

Moving right along, when we look at this credit, the employee retention tax credit, it's four easy steps, right? Well, we all know nothing's easy, but we go through, we determine whether or not the company's eligible. Then we determine if the employer paid qualified wages. We calculate the credit and then we claim the credit. Going on to step one in the next slide. Who is an eligible employer? There's two ways to get to be an eligible employer. One, you could have been partially or fully suspended by a government order during any calendar quarter in 2020. Now, this is just the 2020 ERTC. We're going to talk about 2021, not in a lot of detail because it's a lot of the same stuff. It's just that some of the parameters have changed. Again, fully or partially suspended by a government order. Now I know a lot of contractors, they're they were essential, so they were not necessarily suspended or had their operations suspended.

Andy Bertke ([01:45](https://www.rev.com/transcript-editor/Edit?token=JKNyp7yXELafvpwGwHpQUJ7q3TomoU77Nz3Hufz1d73TSaMf1WZ-OmxGPhmTQrtCsAMtkLoTxVePht6kGEWxP6FMoS0&loadFrom=DocumentDeeplink&ts=105.09)):

The other test, and so it's an either/or, so if your 2020 gross receipts are less than 50% of your gross receipts compared to the same calendar quarter in 2019. You're looking at a quarter in 2020, you compare it to 2019. If it's less than 50%, then you qualify for that quarter. The other items that you have to consider is just, as Scott said, you can't double dip with the FFCRA. You can't double dip with other payroll tax credits, such as the R&D and the a WOTC, which is the work opportunity tax credits. You also cannot double dip with wages that you use for forgiveness on your PPP loan. As Scott also said earlier, it's a real art to put together a worksheet to take into consideration of all these other programs that we have to consider when we're going for the eligible... Or I'm sorry, the employee retention credit. I don't think I want to make a point on anything else on this slide, so next slide.

Andy Bertke ([03:01](https://www.rev.com/transcript-editor/Edit?token=955ABzYjsgbi5srt4YCmgWozCXsRNbHFZdj0TM0EtEMebd-YcRYkdoo88Sr2X2WlFcgT_1-E5Uog4JVDm5ZsEP-A-1U&loadFrom=DocumentDeeplink&ts=181.57)):

I said before that essential businesses, a little more difficult for them to be partially suspended, but it can happen. I've seen in cases where suppliers can't deliver critical supplies and materials. You're sitting there on your job site, you might not be able to have a piece of equipment. If that supplier was suspended by an operation... Operations were suspended by a government order, that affects you too. You have to be cognizant of that. A lot of contractors own multiple businesses. What the credit does is it looks at all companies that the employer owns and controls. The example that Scott and I like to toss around is the construction contractor has his contracting or her contracting business, and they also own a restaurant. Well, we all know the restaurants got destroyed. Well guess what? Because that restaurant was suspended, so was the construction company. Again, they're looking at this as a single employer. It's very powerful, very powerful. As Scott said, connect the dots, saying it's very broad.

Andy Bertke ([04:29](https://www.rev.com/transcript-editor/Edit?token=VtM6s2jp2i0C1VkzqoeMYTTVXV84yyyZ42qBW5qVqy14NeE02z3PcjgVmigDq54-ufP6_r0Fqi03qbVS3xCNlhJHVI8&loadFrom=DocumentDeeplink&ts=269.34)):

The other item that a essential business can be affected is you might have a job here in Cincinnati, and you might have one in New York. Well, New York is a whole different animal than it was here in Cincinnati with shut shutdowns and that. That's another potential situation where the contractor's job in New York was affected, not here in Cincinnati, but it doesn't matter. Since New York was affected, so was Cincinnati when you look at, again, the global single employer concept. Next slide, please.

Andy Bertke ([05:08](https://www.rev.com/transcript-editor/Edit?token=bEJIoKdCv1m_yRSc93kSAl5opOja8zIYhTD4p69d6Zk9nk0ZyMEI7ykrHe3F78rogonrbK1zFehs2re62qrAG4grDu8&loadFrom=DocumentDeeplink&ts=308.34)):

Then the next step is did the employer pay qualified wages? Now, a big difference there is under 2020, again, we're still in 2020, it mattered if you had a hundred or fewer employees, or if you had more than a hundred. If you had a hundred or fewer, if you were affected by a government order or your sales were down, wages paid to every employee would come in play for the credit. If you had more than a hundred employees, it was only the wages paid to those employees who you paid, basically, to sit on their hands. In other words, they didn't work. They didn't remotely work. They didn't do anything. You just continued to pay them. Next slide, please.

Andy Bertke ([05:58](https://www.rev.com/transcript-editor/Edit?token=tlAjeBFbWIxll9oImui-eaLYUpjzdfM2TZK2CGuenWoaa61PNAUg_XhtLSP5go4Hu35rrFE7ajPH18Ek6yE9z2MqlEc&loadFrom=DocumentDeeplink&ts=358.37)):

Then step three, the easy part, right? Once we figured out if you're an eligible employer, once we figured out if you had eligible wages, then we just do the math. The math is pretty straightforward. For 2020, the credit is 50% of up to $10,000 in qualifying wages. Let's say you qualify for two or three quarters. Everybody's is making 40,000 or whatever more a year, you're going to cap that at $10,000 for wages paid in 2020, multiply it by 50% and your credit is determined max of $5,000. You can do the math in your head quite simply, even if you just had 10 employees. At $5,000, that's a $50,000 credit that's sitting out there.