



IRS Stakeholder Liaison

**Three new credits are available to many businesses hit by COVID-19**

 [www.irs.gov/coronavirus](http://www.irs.gov/coronavirus)

## COVID-19 IRS Tax and Advanced Relief for Businesses

Neki Cox, Stakeholder Liaison

[Neki.M.Cox@irs.gov](mailto:Neki.M.Cox@irs.gov)

720-956-4447



**If you have an employee unable to work due to the coronavirus, you may be entitled to receive a credit in the full amount of the required sick leave and family leave.**




**[www.irs.gov/coronavirus](http://www.irs.gov/coronavirus)**

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## **Paid Sick Leave Credit**



**A tax credit reimburses employers for the family leave paid for employees to care for a child while daycare is closed due to COVID-19 precautions.**

A photograph of a man with a goatee, wearing a white shirt and a gold chain, smiling warmly at a young child who is laughing joyfully. The child is also wearing a white shirt. The background is a plain, light color.

[www.irs.gov/coronavirus](http://www.irs.gov/coronavirus)

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## **Paid Family Leave Credit**



The IRS Employee Retention Credit helps employers keep employees on the payroll.



# Employee Retention Credit

Neki Cox, Stakeholder Liaison

[Neki.M.Cox@irs.gov](mailto:Neki.M.Cox@irs.gov)

720-956-4447



# What is the Employee Retention Credit?

**A fully refundable tax credit for employers equal to 50 percent of qualified wages (including allocable qualified health plan expenses) that Eligible Employers pay their employees.**



# Eligible Employer

**Carry on a trade or business in 2020 that either:**

- 1. Was fully or partially suspended business by government order due to COVID-19**
- 2. Experiences a significant decline in gross receipts**

**Not eligible:**

- Governmental employers**
- Self-employed individuals for own services and earnings**



# Operations fully or partially suspended

- **Trade or business operations fully or partially suspended during any calendar quarter in 2020 due to orders from an appropriate governmental authority limiting commerce, travel, or group meetings (for commercial, social, religious, or other purposes) due to COVID-19**



# Significant Decline in gross receipts

- **1st quarter in which gross receipts for a calendar quarter in 2020 are less than 50% of its gross receipts for the same calendar quarter in 2019**
- **A significant decline in gross receipts ends with the first calendar quarter that follows the first calendar quarter for which the employer's 2020 gross receipts for the quarter are greater than 80% of its gross receipts for the same calendar quarter of 2019.**





# Qualified Wages

- **Paid to employees after March 12, 2020, and before January 1, 2021.**
- **Depends on the average number of full-time employees employed during 2019.**
- **Includes qualified health plan costs that are allocable to wages,**



# Qualified Wages

**Wages based on the average number of a business's employees in 2019.**

**Employers with less than 100 FT employees:**

- **The credit is based on wages paid to *all* employees, regardless of whether they provided services.**

**Employers with more than 100 FT employees:**

- **The credit is allowed *only* for wages paid to employees for the time when they are not providing services .**



# Calculate the Credit

- **Equal to 50% of qualified wages per employee**
- **Maximum amount of qualified wages per employee for all calendar quarters is \$10,000.**
- **Maximum credit per employee is \$5000**



# Claiming the credit

- **Report qualified wages and credits for each calendar quarter on federal employment tax returns.**
- **Tax credit may be claimed against the employer portion of certain employment taxes.**
- **If credit exceeds payroll deposit employer may apply for advance refund per Form 7200, Advance Payment of Employer Credits Due To COVID-19.**



# 7200

2020)  
Department of the Treasury  
Internal Revenue Service

## Advance Payment of Employer Credits Due to COVID-19

OMB No. 1545-00

► Go to [www.irs.gov/Form7200](http://www.irs.gov/Form7200) for instructions and the latest information.

(Do not enter your trade name)

Employer identification number (EIN)

Name (if any)

Applicable calendar quarter (check one)

Address, street, and apt. or suite no. If a P.O. box, see instructions.

(2)  April, May, June

(3)  July, August, September

(4)  October, November, December

City, town, state, and ZIP code. If a foreign address, also complete spaces below. (See instructions.)

Foreign country name

Foreign province/county

Foreign postal code

Do you have a third-party payer file your employment tax return? (See instructions.) If "Yes," enter its name.

Third-party payer's EIN (if applicable)

# Form 7200 Errors

## Stakeholder Liaison

Use these credits that you expect to claim to make deposits and request advanced credit for these deposits on your employment tax return for self-employed individuals.

2020):

(4)  CT-1

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



# Double check for correct EIN

Form **7200**

(March 2020)

Department of the Treasury  
Internal Revenue Service

## Advance Payment of Employer Credits Due to COVID-19

► Go to [www.irs.gov/Form7200](http://www.irs.gov/Form7200) for instructions and the latest information.

OMB No. 1545-0029

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.

(2)  April, May, June

(3)  July, August, September

(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



# Check “one” calendar quarter

Form **7200**  
(March 2020)

## Advance Payment of Employer Credits Due to COVID-19

OMB No. 1545-0029

Department of the Treasury  
Internal Revenue Service

► Go to [www.irs.gov/Form7200](http://www.irs.gov/Form7200) for instructions and the latest information.

Name (not your trade name)		Employer identification number (EIN)
Trade name (if any)		<b>Applicable calendar quarter (check one)</b> (2) <input type="checkbox"/> April, May, June (3) <input type="checkbox"/> July, August, September (4) <input type="checkbox"/> October, November, December
Number, street, and apt. or suite no. If a P.O. box, see instructions.		
City or town, state, and ZIP code. If a foreign address, also complete spaces below. (See instructions.)		
Foreign country name	Foreign province/county	
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.



# Check "one" box for Part 1, Line A

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Internal Revenue Service

## Advance Payment of Employer Credits Due to COVID-19

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OMB No. 1545-0029

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.		(2) <input type="checkbox"/> April, May, June	
City or town, state, and ZIP code. If a foreign address, also complete spaces below. (See instructions.)		(3) <input type="checkbox"/> July, August, September	
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





# One choice: Yes or No

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Department of the Treasury  
Internal Revenue Service

## Advance Payment of Employer Credits Due to COVID-19

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OMB No. 1545-0029

Name (not your trade name)

Employer identification number (EIN)

### 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: Complete *all* lines

Form **7200**  
(March 2020)  
Department of the Treasury  
Internal Revenue Service

## Advance Payment of Employer Credits Due to COVID-19

▶ Go to [www.irs.gov/Form7200](http://www.irs.gov/Form7200) for instructions and the latest information.

OMB No. 1545-0029

Name (not your trade name)

Employer identification number (EIN)

### 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	<b>Advance requested.</b> Subtract line 7 from line 4. If zero or less, don't file this form . . . . .			8	



# Dollar amounts needed

Form **7200**

(March 2020)

Department of the Treasury  
Internal Revenue Service

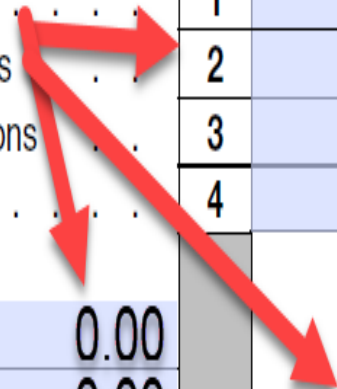
## Advance Payment of Employer Credits Due to COVID-19

► Go to [www.irs.gov/Form7200](http://www.irs.gov/Form7200) for instructions and the latest information.

OMB No. 1545-0029

### Part II Enter Your Credits and Advance Requested

1	Total employee retention credit for the quarter. See instructions . . . . .	1	0.00
2	Total qualified sick leave wages eligible for the credit and paid this quarter. See instructions . . . . .	2	0.00
3	Total qualified family leave wages eligible for the credit and paid this quarter. See instructions . . . . .	3	0.00
4	Add lines 1, 2, and 3 . . . . .	4	0.00
5	Total amount by which you have already reduced your federal employment tax deposits for these credits for this quarter . . . . .	5	0.00
6	Total advanced credits requested on previous filings of this form for this quarter . . . . .	6	0.00
7	Add lines 5 and 6 . . . . .	7	0.00
8	<b>Advance requested.</b> Subtract line 7 from line 4. If zero or less, don't file this form . . . . .	8	0.00





# Part II: Check Line 5 Amount

Form **7200**

(March 2020)

Department of the Treasury  
Internal Revenue Service

## Advance Payment of Employer Credits Due to COVID-19

▶ Go to [www.irs.gov/Form7200](http://www.irs.gov/Form7200) for instructions and the latest information.

OMB No. 1545-0029

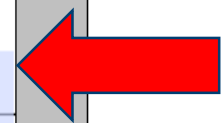
Name (not your trade name)

Employer identification number (EIN)

### Part II Enter Your Credits and Advance Requested

913-952-4992

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	<b>Advance requested.</b> Subtract line 7 from line 4. If zero or less, don't file this form . . . . .			8	





# Check the Math

Form **7200**  
(March 2020)  
Department of the Treasury  
Internal Revenue Service

## Advance Payment of Employer Credits Due to COVID-19

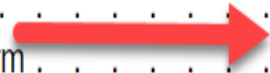
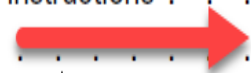
► Go to [www.irs.gov/Form7200](http://www.irs.gov/Form7200) for instructions and the latest information.

OMB No. 1545-0029

Name (not your trade name)	Employer identification number (EIN)

### 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	<b>Advance requested.</b> Subtract line 7 from line 4. If zero or less, don't file this form . . . . .		8	



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



# Don't forget to sign!

Form **7200**

(March 2020)

Department of the Treasury  
Internal Revenue Service

## Advance Payment of Employer Credits Due to COVID-19

▶ Go to [www.irs.gov/Form7200](http://www.irs.gov/Form7200) for instructions and the latest information.

OMB No. 1545-0029

Name (not your trade name)

Employer identification number (EIN)

Select a valid personal identification number (PIN) to use when talking to the IRS

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.

**Sign Here**

Your signature

X

Date

Printed title

Printed name

Best daytime phone

Print/Type preparer's name

Preparer's signature

Date

PTIN

Check  if



# Impact of other credit provisions

- **Small Business Loan – Paycheck Protection Program (PPP)**
- **Paid Family and Sick Leave Credit – Families First**
- **Work Opportunity Credit**
- **Section 45S**



# Resources

[FAQs: Employee Retention Credit under the CARES Act](#)

[IR-2020-62, March 31, 2020 IRS: Employee Retention Credit available for many businesses financially impacted by COVID-19](#)

[Form 7200, Advance Payment of Employer Credits Due to COVID-19](#)

[Relief from Penalty for Failure to Deposit Employment Taxes](#)





# Thank You