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

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.

www.irs.gov/coronavirus

Paid Family Leave Credit
Employee Retention Credit
Neki Cox, Stakeholder Liaison
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.
## Form 7200 Errors

### Stakeholder Liaison

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**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.

<table>
<thead>
<tr>
<th>Employer identification number (EIN)</th>
<th>Applicable calendar quarter (check one)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(2) April, May, June</td>
</tr>
<tr>
<td></td>
<td>(3) July, August, September</td>
</tr>
<tr>
<td></td>
<td>(4) October, November, December</td>
</tr>
</tbody>
</table>

**Company name (if any)**

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

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

<table>
<thead>
<tr>
<th>Country name</th>
<th>Foreign province/county</th>
<th>Foreign postal code</th>
</tr>
</thead>
</table>

**Third-party payer file your employment tax return? (See instructions.) If “Yes,” enter its name.**

**Third-party payer’s EIN (if applicable)**

---

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-PB, or Form 941-S for at least one quarter of 2020.

---

**OMB No. 1545-0039**
Double check for correct EIN

Form 7200
Advance Payment of Employer Credits Due to COVID-19

Employer identification number (EIN)

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.
Check “one” calendar quarter

<table>
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<tr>
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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.
**Check “one” box for Part 1, Line A**

---

### 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):
   - [ ] 941, 941-PR, or 941-SS
   - [ ] 943 or 943-PR
   - [ ] 944 or 944(SP)
   - [ ] CT-1

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**Form 7200 Errors | Stakeholder Liaison**

June 11, 2020
One choice: Yes or No

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

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):
   - [ ] 941, 941-PR, or 941-SS
   - [ ] 943 or 943-PR
   - [ ] 944 or 944(SP)
   - [ ] CT-1

B. Is this a new business started on or after January 1, 2020?

   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: Enter Your Credits and Advance Requested

<p>| | |</p>
<table>
<thead>
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<tr>
<td>1</td>
<td>Total employee retention credit for the quarter. See instructions</td>
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<td>2</td>
<td>Total qualified sick leave wages eligible for the credit and paid this quarter. See instructions</td>
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<td>Total qualified family leave wages eligible for the credit and paid this quarter. See instructions</td>
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<td>4</td>
<td>Add lines 1, 2, and 3</td>
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<td>Total amount by which you have already reduced your federal employment tax deposits for these credits for this quarter</td>
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<tr>
<td>6</td>
<td>Total advanced credits requested on previous filings of this form for this quarter</td>
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<tr>
<td>7</td>
<td>Add lines 5 and 6</td>
</tr>
<tr>
<td>8</td>
<td>Advance requested. Subtract line 7 from line 4. If zero or less, don’t file this form</td>
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**Note:** Complete all lines.
**Form 7200**

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

1. Total employee retention credit for the quarter. See instructions. ........................................... 1 0.00
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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. **Advance requested.** Subtract line 7 from line 4. If zero or less, don’t file this form ......................... 8 0.00

*Go to www.irs.gov/Form7200 for instructions and the latest information.*

**OMB No. 1545-0029**

*Form 7200 Errors | Stakeholder Liaison*
## Part II: Check Line 5 Amount

### Form 7200 Errors | Stakeholder Liaison

**June 11, 2020**

![Image of Form 7200]

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

Go to www.irs.gov/Form7200 for instructions and the latest information.

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**913-952-4992**
# Check the Math

**Form 7200**

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

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Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS? See the instructions.
Don’t forget to sign!

Form 7200 Errors | Stakeholder Liaison

June 11, 2020
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