

IRS Issues Guidance on the Employee Retention Credit

Client Advisories

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The IRS issued **Notice 2021-20** this week. It amounts to a lengthy set of 71 Q&A's addressing any number of rules relating to the Credit for the period ended December 31, 2020. The guidance offered in the Notice is specifically not applicable to the Credit as it has been extended into 2021. Since employers have, by now, already dealt with the Credit throughout the course of 2020, the timing of this release is somewhat puzzling. Nevertheless, we want employers to be aware that this guidance is now "out there."

One particular Q&A we want to bring to your attention is Number 49, which addresses the interaction of the Credit and PPP Loans. Of particular importance is the impact of having claimed the Credit on Loan Forgiveness. That discussion is far beyond the scope of this Alert (Q&A 49 is a seven-and-a half page discussion, replete with rules and examples). Employers should be aware of what the IRS says in this regard as they apply for PPP Loan Forgiveness.

Please reach out to your Archer contact or **Gordon Moore** at 856-354-3087 or gmoore@archerlaw.com with any questions you may have.

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