



Understanding Employer Tax Credits

Wednesday, April 29, 2020



Professional Tax Planning, LLC
&
Corporate Payroll Services

Legal Disclaimer

The information presented today is provided for educational purposes and should not be considered legal advice.

About Hiromi

- ❑ Parents were immigrants from Japan and Philippines
- ❑ Parents owned Hiromi's Oriental Restaurant
- ❑ Chicago city – born & raised

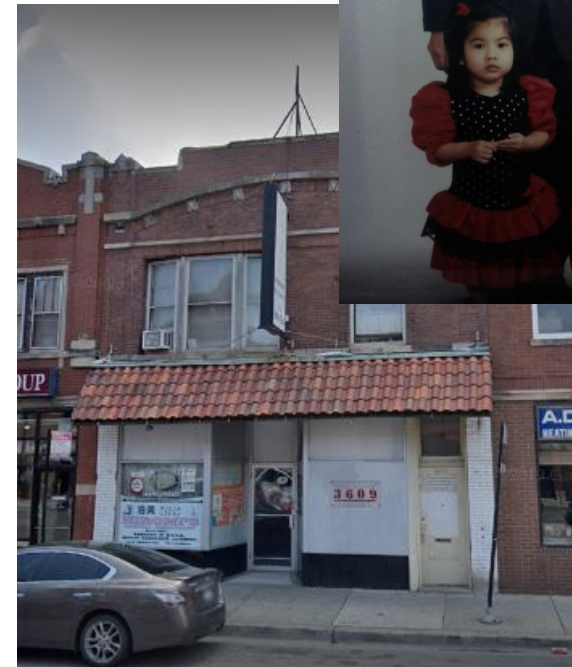
- ❑ 2010 – Auditor for CPA firms, PwC in 2014
- ❑ 2016 to present – Shifted specialty
 - ❑ Tax return preparation for small businesses
 - ❑ Intuit TurboTax On-Demand CPA
 - ❑ Internal Auditor for a construction company
 - ❑ Freelanced as a CPA consultant



Hiromi U.
CPA & Certified Tax Coach

Professional Tax
Planning, LLC

info@taxproplan.com



About Ephrat

- ❑ BS in International Business
- ❑ Joined Corporate Payrolls Services in 1999
- ❑ Has held a variety of roles in
 - ❑ Operations
 - ❑ Management
 - ❑ Information Technology

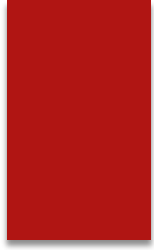


Ephrat Merid
Corporate Payroll Services

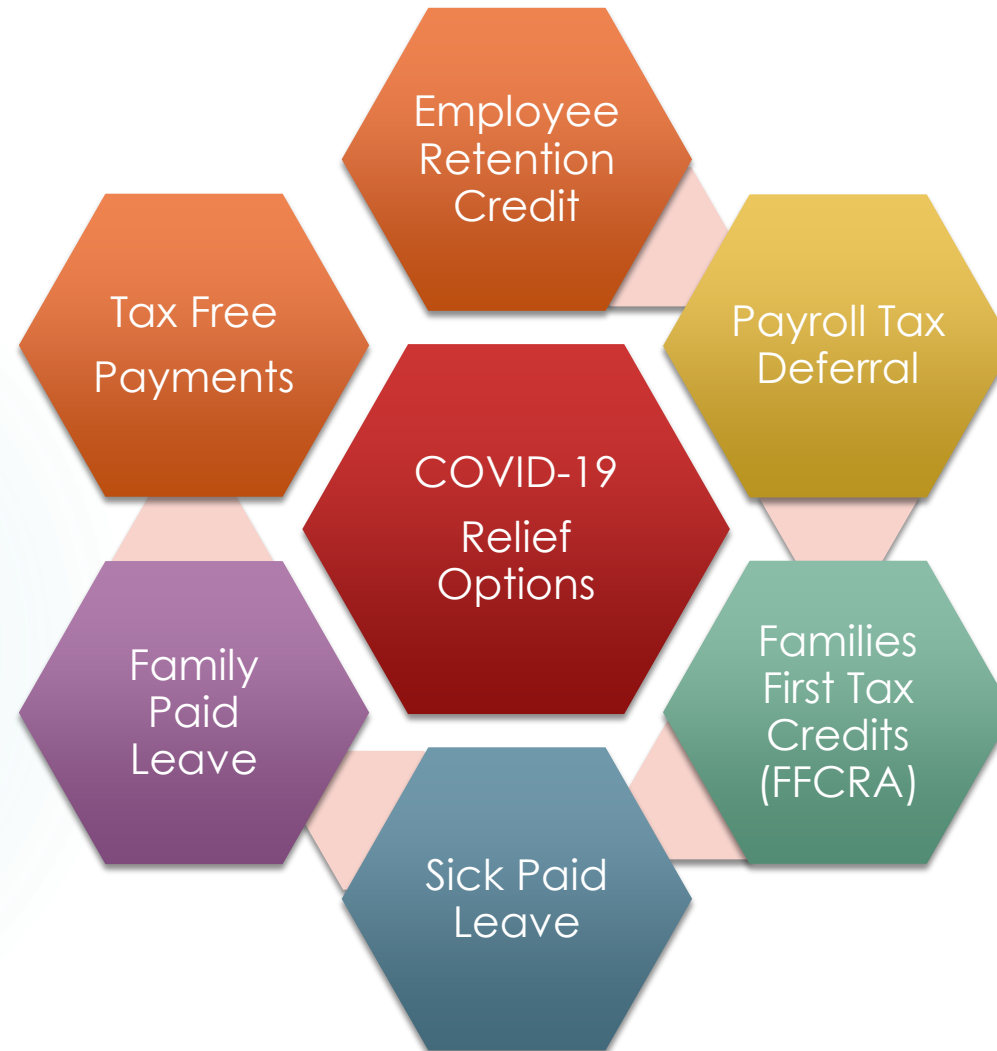
ephrat@corpay.com

About Corporate Payroll Services

- ❑ HR applications and payroll processing at exceptional prices.
- ❑ One of the largest independent payroll services in the U.S. – 6000 clients
- ❑ Dedicated to superior customer service.
- ❑ Our suite of services includes
 - ❑ Payroll/Payroll Taxes for all 50 states, Puerto Rico and U.S. Virgin Islands
 - ❑ “Come Aboard”, employee onboarding platform
 - ❑ NetClockIn, robust time and attendance system
 - ❑ Retirement Plans
 - ❑ Group Health Insurance
 - ❑ Workers Compensation,
 - ❑ And more....

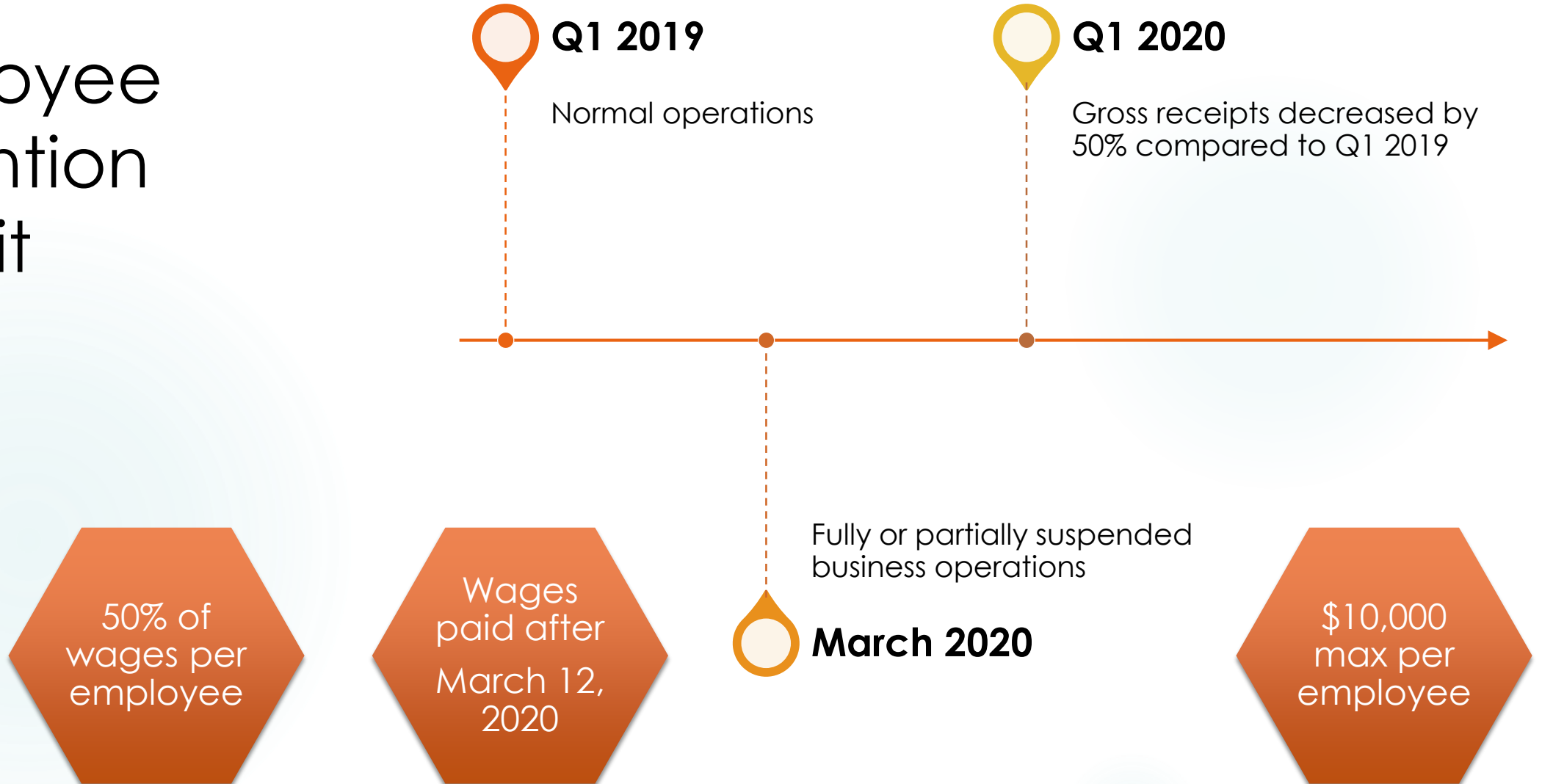


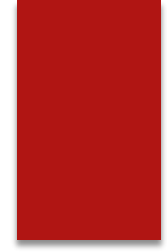
Agenda





Employee Retention Credit





Payroll Tax Deferrals



POSTPONE
EMPLOYER SHARE
OF PAYROLL TAXES



MARCH 27, 2020 –
DECEMBER 31, 2020



50% DUE 12/31/2021
50% DUE 12/31/2022

Self-Employed



POSTPONE EMPLOYER
SHARE OF PAYROLL TAXES



MARCH 27, 2020 –
DECEMBER 31, 2020



50% DUE WITH TAX RETURN
25% DUE 12/31/2021
25% DUE 12/31/2022




50 - 500
employees



Required

Fewer than 50
employees
exception



**Family First Coronavirus
Response Act (FFCRA)**

Sick Paid Leave Tax Credit



\$511 per day

100% of employee's pay
2 weeks

\$200 per day



Family Paid Leave Tax Credit

2/3 of employee's pay
2 weeks

Self-
employed
count too!

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 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) <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		(4) <input type="checkbox"/> October, November, December
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 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

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

PPP LOAN

PAID LEAVE
TAX CREDITS
(FFCRA)

EMPLOYEE
RETENTION TAX
CREDIT

Not on
the same
wages

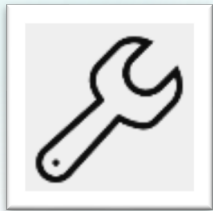




Tax-Free Payments



- ▶ COVID-19 payments
 - ▶ EIDL advance
 - ▶ PPP forgiven amount
 - ▶ Economic impact payments



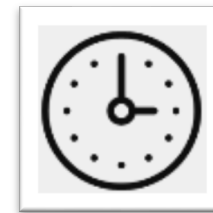
- ▶ Qualified improvement property is 15 year property
- ▶ Corporate AMT Credits harvest
- ▶ Business interest deductions limits 30% to 50% EBITDA
- ▶ Excess Business Losses limits lifted



- ▶ \$5,250 student loans



- ▶ Disaster-related
 - ▶ Funeral costs, sanitizers, Lysol, handwipes, masks



- ▶ Retirement distribution
 - ▶ Up to \$100,000
 - ▶ Pay back in 3 years

US Senate – Tuesday, April 21, 2020

<https://www.congress.gov/116/crec/2020/04/21/CREC-2020-04-21.pdf>

SEC. 101. AMENDMENTS TO THE PAYCHECK PROTECTION PROGRAM, ECONOMIC INJURY DISASTER LOANS, AND EMERGENCY GRANTS.

(a) INCREASED AUTHORITY FOR COMMITMENTS AND APPROPRIATIONS FOR PAYCHECK PROTECTION PROGRAM.—Title I of division A of the Coronavirus Aid, Relief, and Economic Security Act (Public Law 116-136) is amended—

(1) in section 1102(b)(1), by striking “\$349,000,000,000” and inserting “\$659,000,000,000”; and

(2) in section 1107(a)(1), by striking “\$349,000,000,000” and inserting “\$670,335,000,000”.

(b) INCREASED AUTHORIZATION FOR EMERGENCY EIDL GRANTS.—Section 1110(e)(7) of division A of the Coronavirus Aid, Relief, and Economic Security Act (Public Law 116-

(b) INCREASED AUTHORIZATION FOR EMERGENCY EIDL GRANTS.—Section 1110(e)(7) of division A of the Coronavirus Aid, Relief, and Economic Security Act (Public Law 116-

136) is amended by striking “\$10,000,000,000” and inserting “\$20,000,000,000”.

PAGE 13

- PPP – add \$310 billion
- EIDL – add \$10 billion

How Hiromi can help?

Tax Planning & Savings

If there's a problem or confusion, we'll guide you.

Questions?

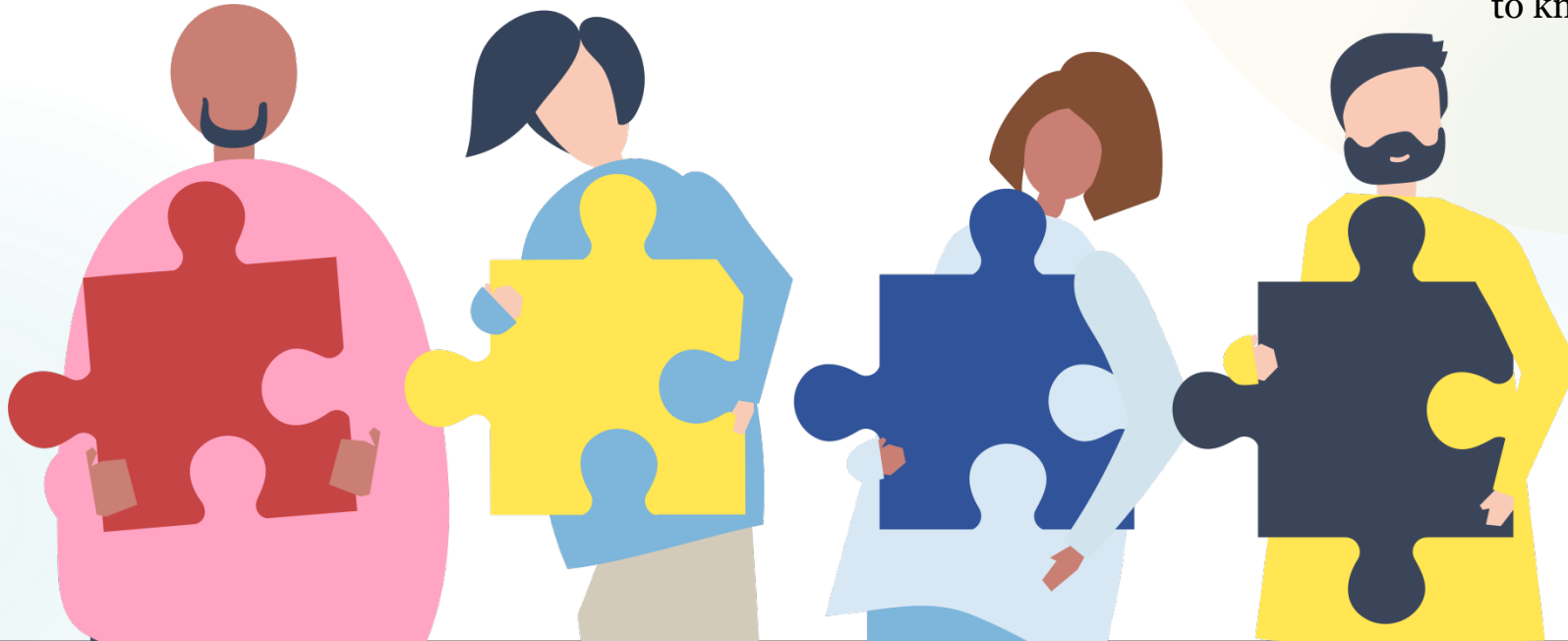
You don't know what you don't know. At least know who to go to.

Time Savings

Get your time back to focus on the core of your business

Information overload

Don't sweat all the jargon and abundant information. We'll guide you with what you need to know.



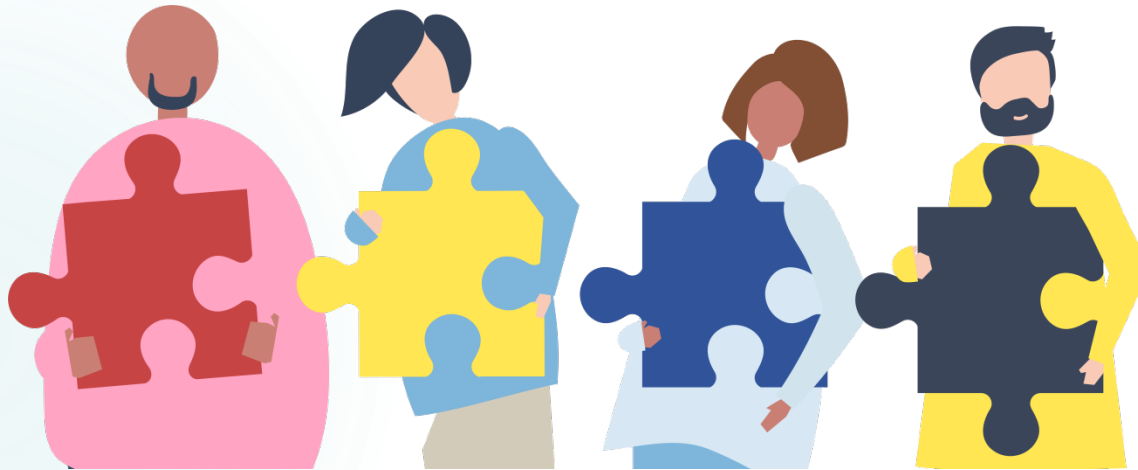
How Corporate Payroll Services can help?

Form 7200

A Form 7200 will be generated for payroll clients when a refund is due.

Form 7200 to IRS?

Form 7200 will be transmitted to IRS for client.



Other Withholdings and Liabilities Payroll Report

04/24/2020 08:53 T13/EPHRAT2

ASC Systems Corporation

Page 1

Other Withholdings and Liabilities Report - Check History for Period Start - End Date: 04/19/2020 - 04/20/2020
Sorted by: Vendor ID, Calc-code and Employee for 04/30/2020-04/30/2020

Emp ID	Employee	Vendor ID	Vendor Description	Calc Code	Calc-code Description	Check Number	Check Date	Gross Pay	Total Earnings	Taxable Earnings	Calculation Method	Other Withholding	Other Liability
03	Falls, Judy L	FECADP	Deferred Pym			21375	04/30/20	1500.00	1500.00	1500.00	93.00-AltCalc		93.00-
	Subtotal for Calc-code							1500.00	1500.00	1500.00		0.00	93.00-
	Subtotal for Vendor ID FECADP							1500.00	1500.00	1500.00		0.00	93.00-
Judy received regular wages, which qualifies for Employer's Social Security Deferral Payment													
35	Walter, Mark T	FEFFEE	EE Sick Pay			21376	04/30/20	600.00	600.00	600.00	100.0000-CWL Pct		600.00-
	Subtotal for Calc-code							600.00	600.00	600.00		0.00	600.00-
35	Walter, Mark T	FEFFEE	EE Sick Pay	REDUCE	7200 Claim	21376	04/30/20	600.00	0.00	0.00	299.02 Man.Ent		299.02
	Subtotal for Calc-code REDUCE							600.00	0.00	0.00		0.00	299.02

Mark received 40 hours (\$600) of FFCRA required sick pay because he was out sick due to COVID-19 virus

Form 7200 & Payroll Invoice

Form 7200 Advance Payment of Employer Credits Due to COVID-19
 (March 2020)
 Department of the Treasury
 Internal Revenue Service

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

OMB No. 1545-0029

Name (not your trade name)
ASC SYSTEMS CORPORATION

Employer identification number (EIN)
81-

Trade name (if any)

Applicable calendar quarter (check one)
 (2) April, May, June
 (3) July, August, September
 (4) 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.)
ARLINGTON VA 22207-

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.
Corporate Payroll Services

Third-party payer's EIN (if applicable)
58-

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 941), column (c), by your third-party payer (see instructions)). If you file a different employment tax return, see instructions **254176.02**

D Enter the total number of employees you have. See instructions **20**

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	824.00
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	824.00
5	Total amount by which you have already reduced your federal employment tax deposits for these credits for this quarter	5	524.98
6	Total advanced credits requested on previous filings of this form for this quarter	6	0.00
7	Add lines 5 and 6	7	524.98
8	Advance requested. Subtract line 7 from line 4. If zero or less, don't file this form	8	299.02

Third- Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS? See the instructions for details. Yes. Complete below. No

Tax Withholding and Liability for This Payroll

Federal Income Tax Withholding	109.88
Employer FICA Liability	160.65
Employee FICA Withholding	160.65
Total Federal Income Tax and FICA (941 taxes)	431.18
VA St Income Tax Withholding	77.11
FECADP Deferred Pym	93.00-
FEFFEE EE Sick Pay	338.18-
Total Federal, State, Local, and Other Withholding and Employer Liability	\$77.11

\$77.11 to be debited from ****553 on 04/30/2020.

Net amount of DIRECT DEPOSIT checks \$1,677.36

\$1,677.36 to be debited from ****553 on 04/29/2020.

TOTAL funds required in bank \$1,817.47

Form 7200 will be submitted on your behalf
 This is reflected on Form 7200, line 8 (Advance requested) \$299.02

9211 Corporate Blvd, Suite 100, Rockville, MD 20850 (301)610-9410

Employer Social Security Tax Deferral & Payroll Invoice

<u>Tax Withholding and Liability for This Payroll</u>	
Federal Income Tax Withholding	3,296.49
Employer FICA Liability	1,627.59
Employee FICA Withholding	1,627.59
Total Federal Income Tax and FICA (941 taxes)	6,551.67
VA St Income Tax Withholding	1,018.77
FECADP Deferred Pym	1,319.09-
Total Federal, State, Local, and Other Withholding and Employer Liability	\$6,251.35
\$6,251.35 to be debited from ****553 on 04/30/2020.	
Net amount of DIRECT DEPOSIT checks	\$13,529.17
\$13,529.17 to be debited from ****553 on 04/29/2020.	
TOTAL funds required in bank	\$19,842.02
YTD Employer's Social Security Tax Deferred (FECADP)	\$6,459.26
The deferred deposits of the employer's share of Social Security tax must be deposited by the following dates to be treated as timely (and avoid a failure to deposit penalty):	
1. On December 31, 2021, 50 percent of the deferred amount; and	
2. On December 31, 2022, the remaining amount.	



9211 Corporate Blvd, Suite 100, Rockville, MD 20850 (301)610-9410



FAQ'S



Hiromi U.
CPA & Certified Tax Coach



Questions? 1-on-1?

Taking appointments
calendly.com/taxproplan