

# PPP & ERTC

Elliott Tracy, CPA  
Partner & Tax Advisor

MARCH 4, 2021



# Our Speaker

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**Elliott Tracy, CPA**  
Partner

[etracy@jrcpa.com](mailto:etracy@jrcpa.com)

503-648-0521

# Webinar Agenda & Objectives

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1. Quick Overview of PPP & ERTC
2. Changes to PPP & ERTC
3. Pitfalls of PPP & ERTC
4. How to utilize both PPP & ERTC
5. Potential changes with new stimulus bill

# *Quick Overview Of PPP & ERTC*

# Employee Retention Tax Credit

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- Employee Retention Credit for 2020
  - Equal to 50% of qualifying wages and allocable health care costs (\$5,000 per EE per year)
  - Must have 50% drop in revenue compared to prior year for same quarter, or
  - Fully or partially shut down due to governmental order

# Employee Retention Tax Credit

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- Employee Retention Credit for 2021
  - Equal to 70% of qualifying wages and allocable health care costs
  - \$7,000 credit per employee per quarter (\$14,000 total)
  - Must have a 20% drop in revenue compared to prior year for same quarter, or
  - Fully or partially shut down due to governmental order

# Paycheck Protection Program

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- PPP Round 1
  - Covered period 8 weeks
    - Payroll costs at least 75% and other costs 25%
  - Covered period 24 weeks
    - Payroll costs at least 60% and other costs 40%

# Paycheck Protection Program

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- PPP Round 2 – First Draw
  - Covered period 24 weeks
    - Payroll costs at least 60% and other costs 40%
    - Now additional categories available
- PPP Round 2 – Second Draw
  - Reduction in gross income of at least 25% in any quarter of 2020 when compared to same quarter of 2019



# *Changes to PPP & ERTC*

# Changes to PPP & ERTC

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- Consolidated Appropriations Act of 2021 allowed interplay of PPP and ERTC
- Additional guidance in Notice 2021-20 (102 pages of guidance)

# *Pitfalls & Utilizing PPP & ERTC*

# Utilizing PPP & ERTC

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- Notice 2021-65 Question #49
  - The wages you reported on your PPP forgiveness application will be your “election” of wages not used for ERTC
  - Report only 60% of wages for covered period
- Wages paid after March 12<sup>th</sup> and before PPP received

# Utilizing PPP & ERTC

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- You can receive advance refund of ERTC, otherwise, claim on quarterly payroll form.
- What to do about 2020 credits?
  - File amended Form 941-X

# Thank You!

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**Elliott Tracy, CPA**  
Dental Practice Advisor

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