



CPAs & BUSINESS ADVISORS

RISE OF THE CLIMATE ECONOMY & EMPLOYEE RETENTION CREDITS

HFMA Minnesota Winter Institute

TODAY'S AGENDA

THE CLIMATE ECONOMY

The \$1.2 Trillion Climate Economy

Energy Building Deduction

Residential Energy Credit

Clean Energy Investment Credit

Energy Incentive Program (EIP) Steps

EMPLOYEE RETENTION CREDIT

ERC Overview

ERC Legislation & Building Blocks

ERC Qualification

PPP & ERC Interplay

Recap & Next Steps

THE CLIMATE ECONOMY

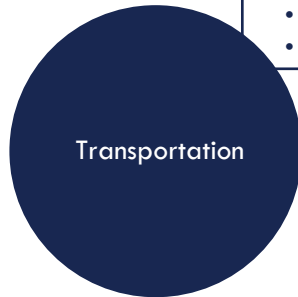
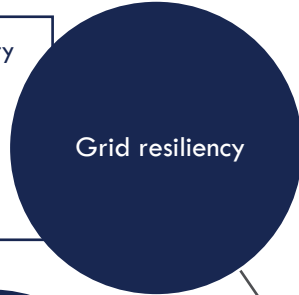
\$374 billion of energy incentives according to the Congressional Budget Office

\$1.2 trillion of energy incentives according to private reports

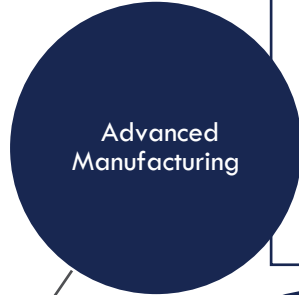


THE CLIMATE ECONOMY

- Power Marketing Administration transmission borrowing authority
- Electric grid reliability and resilience research
- CHIPS for America Fund
- CHIPS for America Defense Fund
- CHIPS for America International Technology Security and Innovation Fund



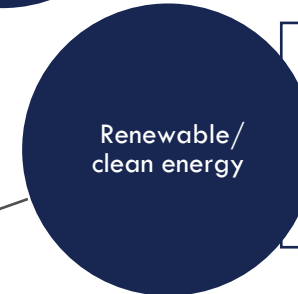
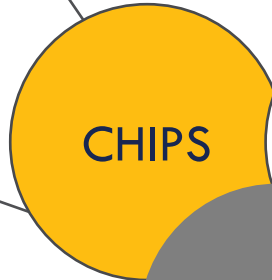
- Formula funding
- Competitive grants
- eMobility
- Increased contract authority



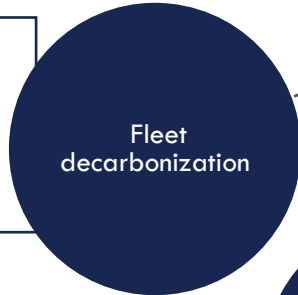
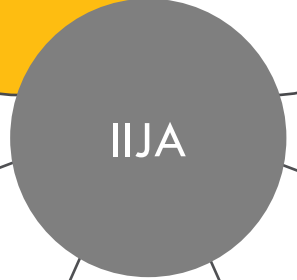
- 48C
- 45X
- Advanced Technology Vehicles Manufacturing Loan Program
- Domestic manufacturing conversion grants
- Advanced Industrial Facilities Deployment Program
- Advanced Manufacturing Investment Tax Credit
- Advanced energy manufacturing and recycling grants



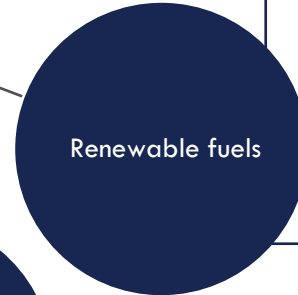
- Energy Infrastructure Act of 2021
- Army Corps of Engineers infrastructure priorities



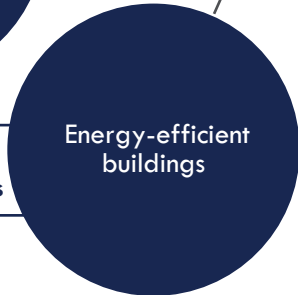
- 45 Clean Energy Production Tax Credit (PTC)
- 45U Zero Emission Nuclear Power PTC
- 45V Hydrogen PTC
- 45Y Technology neutral PTC
- 48 Clean Energy Investment Tax Credit (ITC)
- 48E Clean Electricity Investment Credit



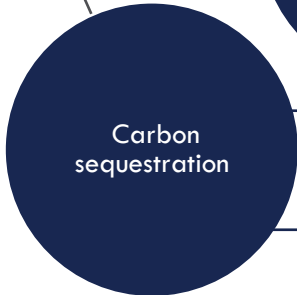
- 30C Alternative Refueling Infrastructure
- 30D Clean Vehicle Credit
- 45W Qualified Clean Commercial Vehicles
- Clean Heavy-Duty Equipment and Vehicle Program
- Clean School Bus Program



- 40A Biodiesel and Alternative Fuels Credit
- 40B Sustainable Aviation Fuel Credit
- 45Z Clean Fuel Production Credit
- Alternative Fuel and Low Emission Aviation Technology Program*
- Incentives for biodiesel, renewable diesel and alternative fuels*



- 45L New Energy Efficient Home Credit
- 179D Energy Efficiency Commercial Buildings



- 45Q Carbon Capture and Sequestration Credit
- Carbon removal
- Carbon storage validation and testing



CLIMATE ECONOMY

10 Years of **Materiality**

10 Years of **Certainty**

COME TOGETHER

Leadership

Finance &
Accounting
Teams

Facility
Engineers &
Design Team

Sustainability
Planning

Accounting, Documentation &
Verification

ENERGY INCENTIVE PROGRAM

Energy Building Deduction

- Energy efficiency in lighting, envelope, HVAC
- Up to \$5/square foot deduction
- Falls under Section 179D of the tax code

Clean Energy Investment Credit

- Investment in energy property
- Up to 6% or 30% plus 10% domestic bonus
- Direct pay for exempt organizations
- Falls under Section 48 of the tax code

Residential Energy Credit

- Energy efficiency in residential construction such as Senior Housing
- Up to \$2,500 per unit or \$5,000 per unit
- Falls under Section 45L of the tax code

SECTION 179D ENERGY EFFICIENT DEDUCTION

Section 179D is available for HVAC, building envelope and lighting projects, up to \$5.00 deduction per square foot.



ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION – PRIOR VS. TODAY

SECTION 179D PRIOR

- \$1.80-\$1.88 deduction per square foot
- Lighting, HVAC and Envelope
- Life-time cap
- Started in 2006 and has since been made permanent
- Applies to private owners, and designers of government buildings

SECTION 179D IN THE IRA

- Status quo for 2022
- Starting in 2023 through 2032:*
- Base Deduction: \$0.50 to \$1.00 per SF
- Bonus Deduction: \$2.50 to \$5.00 per SF
- Lighting, HVAC and Envelope
- **Four-year cap for tax exempts**
- Enhancement for REITs
- Applies to private owners, and designers of government, Indian tribal government and certain tax-exempt entities buildings

179D ENERGY EFFICIENT DEDUCTION – TWO WAYS



Private

- Extended permanently
- Form 3115 back to January 1, 2006
- Building owners or tenants
- Energy modelers
- Professional Engineers licensed in state

Designers for Tax Exempt Entities

- Extended permanently
- Amended returns in open tax year
- Government assigns to designers
- Architects, Engineers and Contractors
- Energy modelers
- Professional Engineers licensed in state

179D – CASE STUDY – PRIVATELY OWNED (PRE-IRA)



Memory Care Center – New Construction:

- Building Highlights:
 - Lighting: LED Lighting & daylighting sensors
 - Heating: Gas Fired 95.5 AFUE
 - Cooling: 16 SEER Split

Results: The entire 80,000 SF building qualified for \$1.80/SF deduction.
\$144,000 deduction for the designer.

179D – CASE STUDY – TAX EXEMPT (POST IRA)



Non-Profit Hospital– Renovation:

- Building Highlights:
 - Lighting: combination of LED & high efficiency fluorescent fixtures
 - Heating: 90 AFUE Boiler
 - Cooling: 0.5 kW/ton IPLV Chiller

Results: The entire 250,000 SF building qualified for \$5/SF deduction.
\$1,250,000 deduction for the designer.

179D – HOW DO I CLAIM THE DEDUCTION?

Form 7205
(December 2022)
Department of the Treasury
Internal Revenue Service

Energy Efficient Commercial Buildings Deduction
Attach to your tax return.
Go to www.irs.gov/Form7205 for instructions and the latest information.

OMB No. 1545-2004

Name(s) shown on return _____ Identifying number _____

Claiming deduction as (check one): Building owner Designer of energy efficient commercial building property (EECBP)

Part I Building and EECBP Information (see instructions)

1	(a) Address of building	(b) Date EECBP placed in service	(c) EECBP system and computed energy savings percentage*				(d) Check if interim lighting rule was used	(e) Potential amount per square foot based on energy savings and system (see instructions)	(f) Building square footage	(g) Potential section 179D deduction amount (multiply column 1(e) by column 1(f))
			A	E	H	L				
A			%	%	%	%	<input type="checkbox"/>			
B			%	%	%	%	<input type="checkbox"/>			
C			%	%	%	%	<input type="checkbox"/>			
D			%	%	%	%	<input type="checkbox"/>			

* A = All systems; E = Building envelope; H = Heating, cooling, ventilation, and hot water system; L = Interior lighting system

Part II Computation of Energy Efficient Commercial Buildings Deduction Amount (see instructions)

2	(a) Total per square foot amount claimed in prior years	(b) Subtract column 2(a) from the maximum amount allowed (see instructions)	(c) Check if the amount in column 2(b) is greater than or equal to column 1(e)	(d) If column 2(c) is checked, enter amount from column 1(g), skip column 2(e) and column 2(f) and go to column 2(g); otherwise, enter -0-	(e) Check if the amount from column 2(b) is less than the amount in column 1(e)	(f) If column 2(e) is checked, multiply column 2(b) by column 1(f)
A			<input type="checkbox"/>		<input type="checkbox"/>	
B			<input type="checkbox"/>		<input type="checkbox"/>	
C			<input type="checkbox"/>		<input type="checkbox"/>	
D			<input type="checkbox"/>		<input type="checkbox"/>	

	(g) Cost of energy efficient commercial building property placed in service during the tax year (see instructions if building ownership percentage is less than 100%)	(h) Enter the greater of column 2(d) or column 2(f) (see instructions if building ownership percentage is less than 100%)	(i) Enter the lesser of column 2(g) or column 2(h)	(j) Designers enter the amount of the section 179D deduction allocated to you as the designer (see instructions)	(k) Section 179D deduction for the building Designers, enter the lesser of column 2(i) or column 2(j) Building owners, enter the amount from column 2(i)
A					

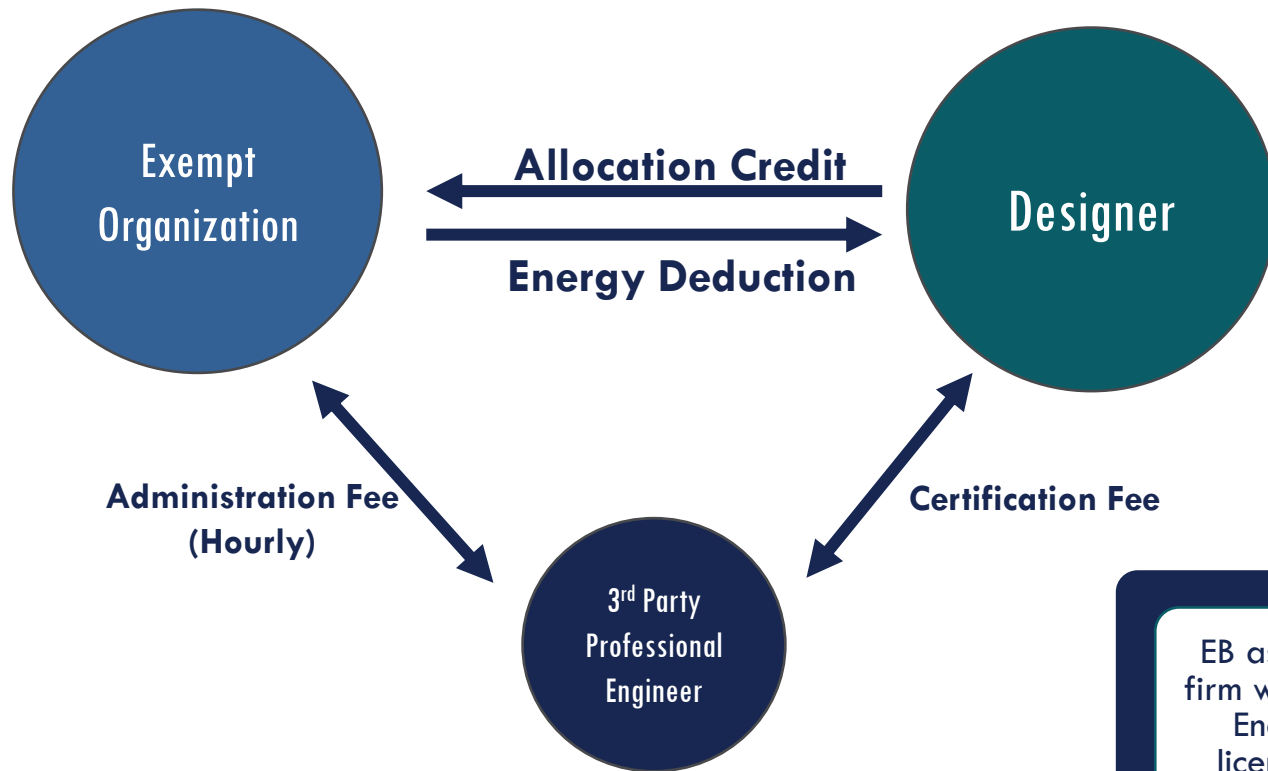


Form 7205 – Energy Efficient Commercial Buildings Deduction:

- Applies to properties placed in service 2022
- Similar to the 179D Certificate of Compliance
- 2023 form does not yet exist

ENERGY INCENTIVE PROGRAM

Energy Deduction Allocation (Section 179D)



The Exempt Organization assigns an Allocation Letter to the designer(s) at their “sole discretion” under penalties of perjury.

EB as a third-party firm with Professional Engineers (P.E.) licensed in all 50 states

“Designer(s)” such as the Architect, Engineer, General Contractor, Subcontractors (HVAC, Electrical, Structural)

Exempt Organization such as Healthcare, K-12, Higher Education, Government, Senior Living

179D – KEY TAKEAWAYS

Up to \$5.00/SF Deduction

Privately Owned Buildings

- Placed in service after 12/31/2005.

Tax-Exempt Entities

- Government-Owned - Placed in service in an open tax year.
- All Tax-Exempt – Placed in service after 12/31/2022 and before 12/31/2032

Buildings 25,000+ Square Feet

- Not a requirement but yields a better benefit.



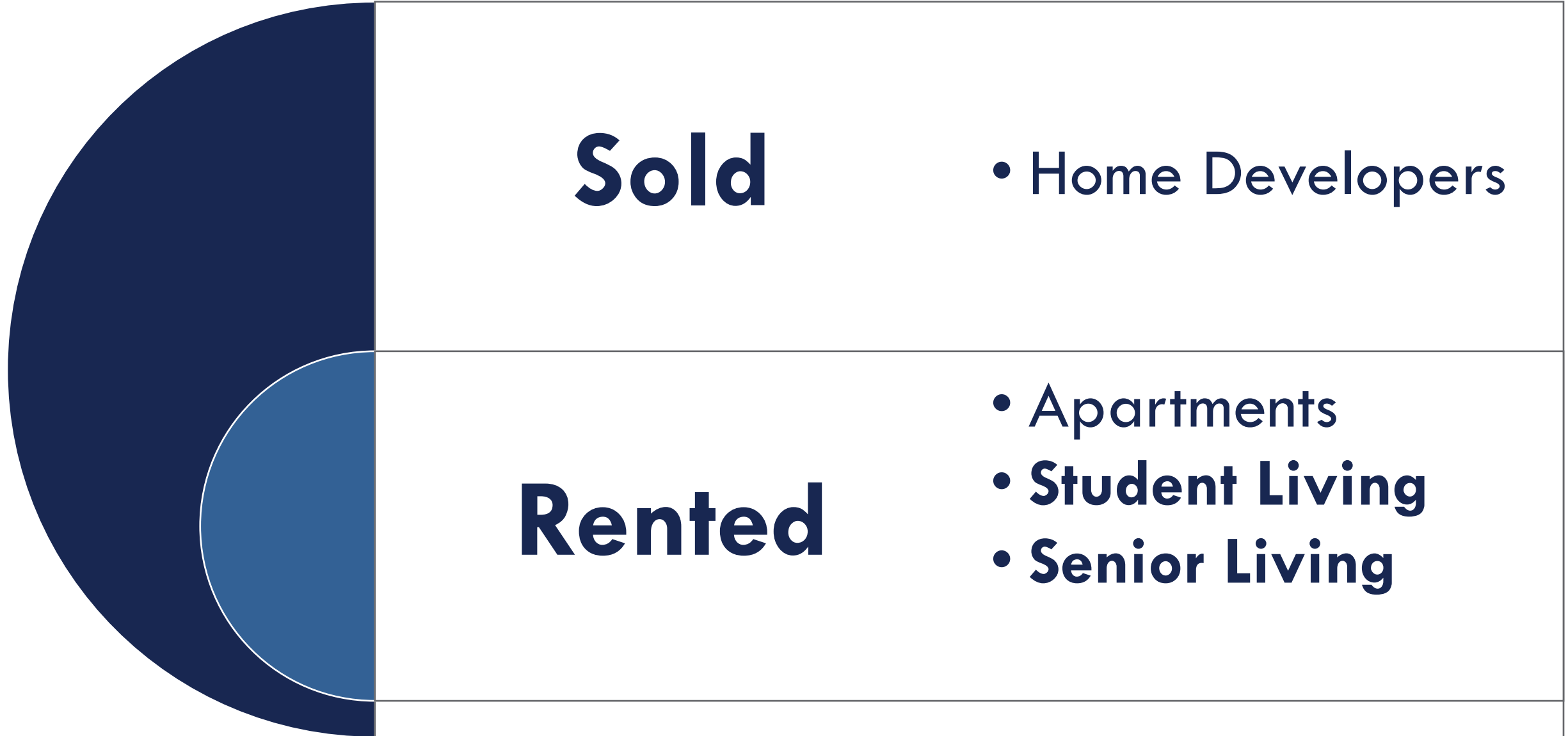
**SECTION 45L -
THE ENERGY EFFICIENT
HOME TAX CREDIT**



45L – OVERVIEW

- Tax Credit of \$500-5,000 per qualifying unit:
 - Apartment buildings/townhomes:
 - Three stories or less
 - Credit based on lease-up, or sale date
 - Single family homes

§45L NEW ENERGY EFFICIENT HOME CREDIT – TWO WAYS



45L NEW ENERGY EFFICIENT HOME CREDIT – PRIOR VS. TODAY

SECTION 45L PRIOR

- Expired at the end of 2021
- Units sold/leased in an open tax year
- 3-stories or less
- \$1,000 credit per manufactured home
- \$2,000 credit per unit for single family and multifamily homes

SECTION 45L IN THE IRA

- \$2,000 per unit extended through 2022
- *Starting in 2023 through 2032:*
- **Any number of stories (sky is the limit)**
- **No basis reduction for LIHTC affordable housing**

Multifamily homes:

- Base Credit : \$500 or \$1,000 per unit
- Bonus Credit : \$2,500 or \$5,000 per unit
- *Single family and manufactured homes:*
- Base Credit : \$2,500 or \$5,000 per unit

§45L NEW ENERGY EFFICIENT HOME CREDIT – 2023-32

Home Type	Standard	Base Credit	Bonus Credit ¹
Single Family	ENERGY STAR Single Family New Homes Program, Version 3.1 (Eligible to Participate)	2,500	-
Manufactured	ENERGY STAR Manufactured Home National Program (Eligible to Participate)	2,500	-
Single Family & Manufactured	DOE Zero Energy Ready Home (ZERH) Program (Certified)	5,000	-
Multifamily	Energy Star Multifamily New Construction National Program (Eligible to Participate)	500	2,500
Multifamily	DOE Zero Energy Ready Home Multifamily Program (Certified)	1,000	5,000

¹Bonus credit if prevailing wage and apprenticeship requirements are met.

45L – CASE STUDY - MULTIFAMILY



Senior Living Townhome Complex – New Construction:

Complex Features:

- Insulation: R-8 slab
- Windows: U-Value: 0.50, SHGC: 0.27
- HVAC: Heat Pump HSPF 8.2 / 16 SEER
- Energy Star appliances
- LED lighting

Results: 100% of units passed & were leased - **\$112,000 in credits**

45L – QUALIFICATION REQUIREMENTS




Before 1/1/23:

- Energy use must be 50% below a “reference unit”
- Building envelope components must contribute 20%

After 1/1/23:

- Meet Energy Star requirements
- Dependent on location and climate zone

45L – TARGETED EFFICIENCIES | PROVISIONAL ASSESSMENT

Eide Bailly LLP 

45L Qualification Overview

PROJECT LOCATION			
State	South Dakota	City	Sioux Falls

BUILDING CODES & CLIMATE			
Energy Star Version	1	Climate Zone	6
IECC Version	2009		

TARGETED EFFICIENCIES			
Envelope		Cooling Equipment	
Slab Insulation R-Value	15	SEER	14.5
Slab Insulation Depth (ft)	2	EER	12
Basement Wall R-Value	7.5	Heating Equipment	
Floor Assembly U-Factor	0.033	Furnace AFUE	90
Wall Assembly U-Factor	0.051	Boiler AFUE	85
Ceiling Assembly U-Factor	0.027	Heat Pump HSPF	9.5
Window SHGC	0.4	Minimum Envelope Airtightness	
Fixed Window U-value	0.36	Air Changes/Hour	3
Operable Window U-Value	0.43		
Glass Door U-Factor	0.77		

BENEFICIAL TO QUALIFICATION	
WaterSense showerheads	ENERGYSTAR refrigerator
WaterSense bathroom faucets	ENERGYSTAR dishwasher
DHW heater Gas: 0.67 EF	Programmable thermostats
DHW heater Elec: 0.95 EF	Infiltration rates < 0.30 CFM50/ft ²

DETRIMENTAL TO QUALIFICATION	
Built to the minimum 2009 IECC standard	Projects with 100% electric heating
2" x 4" external wall framing w/ R-13 insulation	AC unit SEER rating of less than 13

*The information provided above is intended to provide guidance and does not confirm compliance with 45L. Please consult with your design team before implementing.

*To complete the analysis, architectural, mechanical, electrical and plumbing plans are required, along with verification of the IECC standard the project was built to.

- Minimum qualifications are dependent on Climate Zone and applicable building code.
- Provisional Assessments will be undertaken for sample home/apartment types free of charge.
- Qualifying projects will begin the Engagement process via Salesforce.
- Non-qualifying projects will receive the Non-Qualification Memo and Minimum Efficiency Standards sheet for future projects.



SKY IS THE LIMIT

§45L 3-story limit is gone in 2023



AFFORDABLE HOUSING BOOM

- §45L credit will **not** reduce the Low-Income Housing Tax Credit (LIHTC) basis.
- For LIHTC properties without excess basis you can now **stack** the §45L credit.

§45L – OVERVIEW

\$500-\$5,000
credit per
qualifying unit

Residential, 3-
stories or less
thru 2022
All residential
2023-32

Sold/leased in
an open tax
year and prior
to 1/1/2032

Buildings with
10+ units - not
a requirement,
but yields a
better value
proposition

The first step is
a discovery call
and provisional
assessment



SECTION 48

CLEAN ENERGY INVESTMENT

TAX CREDIT

ENERGY INCENTIVE PROGRAM

Clean Energy Investment Tax Credit (Section 48)

Investment in equipment that produces energy from alternative sources:

- Solar
- Wind
- Geothermal (including ground source thermal energy)
- Fuel Cells
- Microturbines
- Combined heat and power systems
- Equipment that recovers waste energy
- Energy storage
- Biogas
- Microgrid controllers

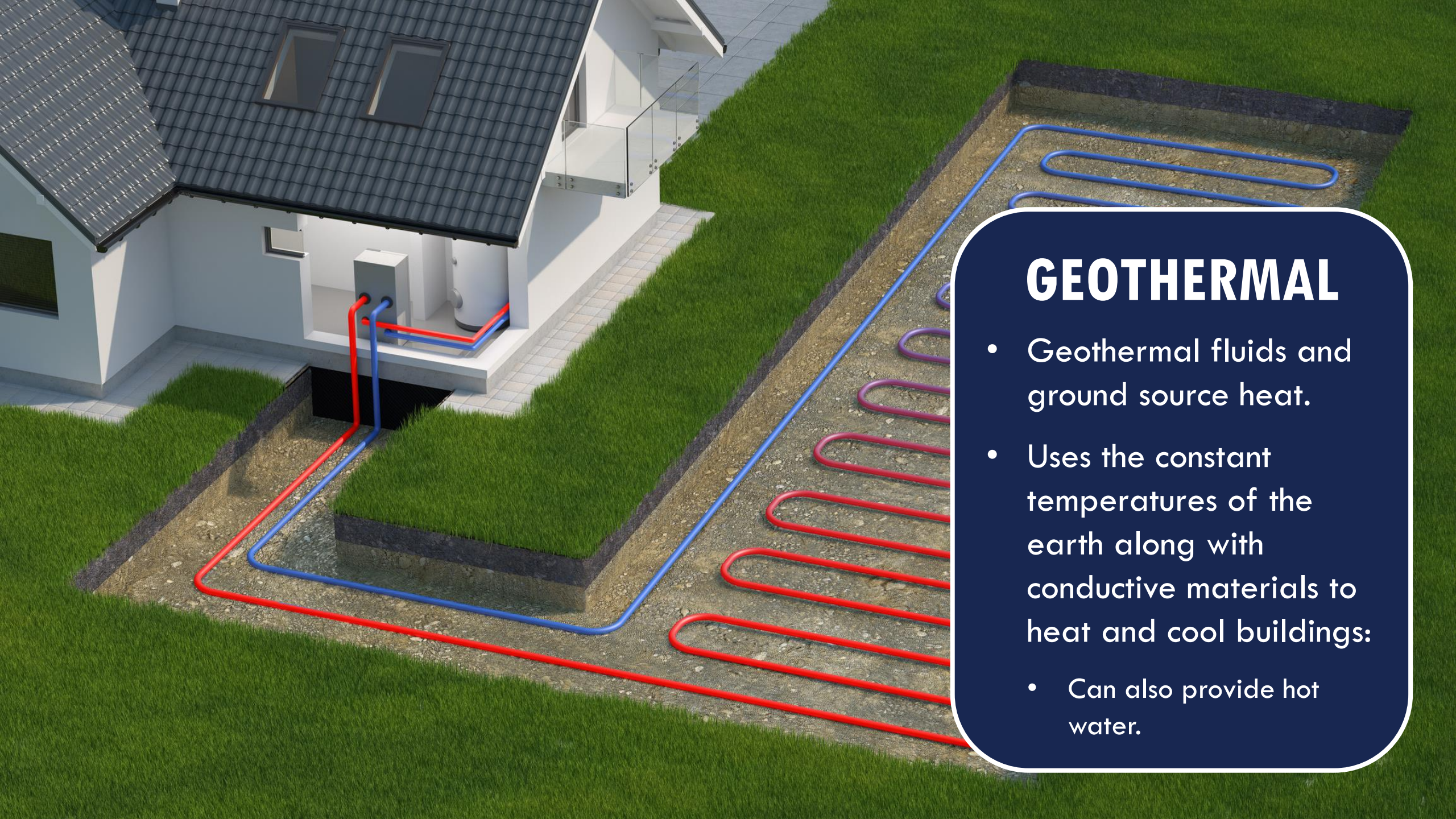
Project “Economic Drivers”

- Basic credit = 6% of cost
- If wage rules met = 30% of cost
- If domestic content = + 10%
- If in a “energy community” + 10%
- Additional bonuses for solar and wind with an environmental justice allocation.

SOLAR

- Solar Eligibility:
 - Electrical Production
 - Water Heating:
 - (EXCEPT for swimming pools)
 - Illumination





GEOTHERMAL

- Geothermal fluids and ground source heat.
- Uses the constant temperatures of the earth along with conductive materials to heat and cool buildings:
 - Can also provide hot water.



SMALL SCALE WIND ENERGY

- Eligibility:
 - Turbines with nameplate capacity of no more than 100 kW.



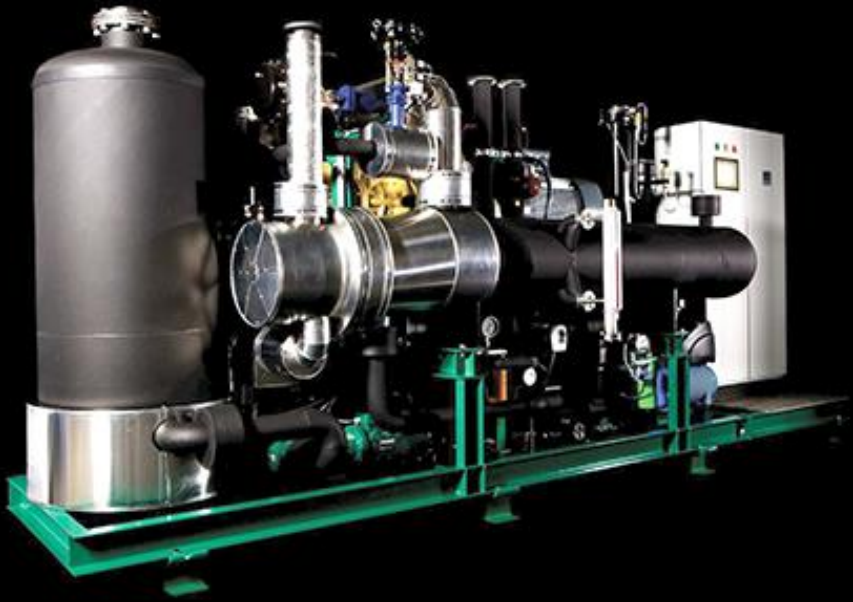
FUEL CELLS

- Fuel Cells:
 - Hydrogen + Oxygen + Catalyst = Electricity + Heat + Water
- Linear Generator:
 - Hydrogen + Ammonia » Magnets + Copper Coils » Electricity
- Eligibility:
 - Fuel cell stack assembly with capacity > 0.5kW
 - Linear generator assembly with capacity > 1kW

COMBINED HEAT & POWER (COGENERATION)

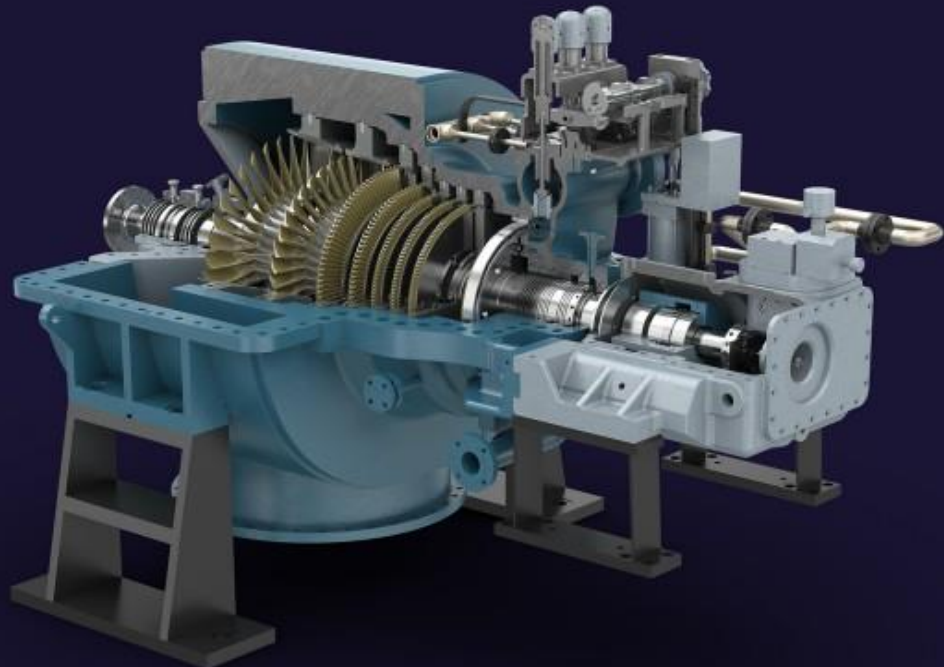
- Gas-fired or steam turbine produces electricity; waste heat/steam is recovered and used for heating/cooling
- An energy efficiency standard of at least 60%





WASTE ENERGY RECOVERY

- Converts waste energy (usually heat) into electricity:
 - Ovens, kilns, furnaces, boilers
 - Mechanical motors and engines
 - Exothermic chemical processes
- Typically, industrial applications
- Eligibility:
 - Capacity > 50 MW
- No efficiencies or power management systems required





INCENTIVE STACKING – CONT.

ABOUT

- Sr. Living
- New Construction
- 200,000 Square Feet
- LED Lighting
- Geothermal

INCENTIVE STACK

- Clean Energy Investment Credit
- 45L Credit
- 179D Deduction
- Utility Sales Tax Exemption

INCENTIVE AMOUNT

- \$400,000 energy credit
- \$250,000 45L credit
- \$1,000,000 179D deduction
- 4% elimination of sales tax on utilities

HOSPITAL

EMERGENCY



INCENTIVE STACKING

ABOUT

- Behavior Health Center
- Renovation
- 100,000 Square Feet
- Thermal Energy Storage
- LED Lighting

INCENTIVE STACK

- Clean Energy Investment Credit
- 179D Deduction

CREDITS

- \$300,000 energy credit
- \$500,000 deduction



ENERGY INCENTIVE PROGRAM (EIP) PROCESS

ENERGY INCENTIVE PROGRAM (EIP) STEPS

Discovery Call

Phase I Engagement - Identify program opportunities

Phase II Engagement – Implement program opportunities



ERC OVERVIEW

TO DATE

COVID-19 Pandemic Relief

Retain staff in the midst of hardship

Incentive for organizations to keep employees during the pandemic

2020 ERC applications have a little over **1 year left** to submit to the IRS

2021 ERC applications have a little over **2 years left** to submit to the IRS

2020 application with 100 employees could receive as much as \$500,000

2021 applications with 100 employees could receive as much as \$2,100,000



ERC LEGISLATION & BUILDING BLOCKS

ERC AND LEGISLATION

Employee Retention Credit (ERC)

Part of the CARES Act in 2020 and extended and expanded (CAA and ARPA)

2020: Up to a \$5,000 credit per employee

2021: Up to a \$7,000 credit per employee per quarter for Q1-Q3 (\$21,000 per employee in 2021)

Infrastructure bill

Repeals the ERC for 2021 Q4

Recovery Start-up still available (Q3 & Q4 2021)

Inflation Reduction Act - \$80 Billion for IRS funding – expect audits

ERC OVERVIEW

	<u>2020</u>	<u>2021</u>
Time Period	March 13, 2020 to December 31, 2020	January 1, 2021 to September 30, 2021 (credit computed for each quarter)
Credit Rate	50%	70%
Qualified Wages	Can qualify up to \$10,000 per employee	Can qualify up to \$10,000 per employee
Maximum Credit per Employee	\$5,000	\$7,000
Eligible Small Employer (Controlled Group Rules Apply)	Less than or equal to 100 full-time employees	Less than or equal to 500 full-time employees

ERC OVERVIEW

	<u>2020</u>	<u>2021</u>
Eligibility Requirements: Decline in Gross Receipts (Controlled Group Rules Apply)	Gross receipts decline for greater than 50% in any quarter in 2020 vs 2019 (see example)	Gross receipts decline for greater than 20% in any quarter in 2021 vs 2019
Alternate Quarter Provision	Not applicable	Look back to the preceding quarter to meet qualification criteria
Gross Receipts Definition	For Profit Organizations - IRS Section 448(c) Not for Profit Organizations - IRS Section 6033	For Profit Organizations - IRS Section 448(c) Not for Profit Organizations - IRS Section 6033
Suspension of Operations	Operations that are either fully or partially suspended by a COVID-19 governmental order and only during the period the order is in force	Operations that are either fully or partially suspended by a COVID-19 governmental order and only during the period the order is in force
Governmental Instrumentalities Eligible	No	Public colleges, universities, organizations whose principal purpose is providing medical or hospital care, certain Federal instrumentalities like credit unions

QUALIFIED WAGES

Based on Social Security Wages (W-2, Box 3 wages) plus allocated share of health care expenses.

Companies with more than 100 (in 2020) or 500 (in 2021) employees can only claim credit for employees that are being paid but not providing services during eligibility period:

Based on 2019 average full-time employee count.

Aggregation rules apply.



HEALTH PLAN EXPENSES

Health plan expenses eligible for the ERC:

Cost paid by the employer.

Portion of cost paid by employee with pre-tax contributions.

IRS has indicated a pro rata allocation is reasonable for sponsored health plans:

Based on covered employees.

Based on periods of coverage.

Health plan costs paid for furloughed employees includable.



ERC – HOW TO CLAIM THE CREDIT

Report total qualified wages and health insurance costs on quarterly employment tax returns to claim credit:

Can amend for ERC (3 years and 5 years for Q3/Q4 2021)





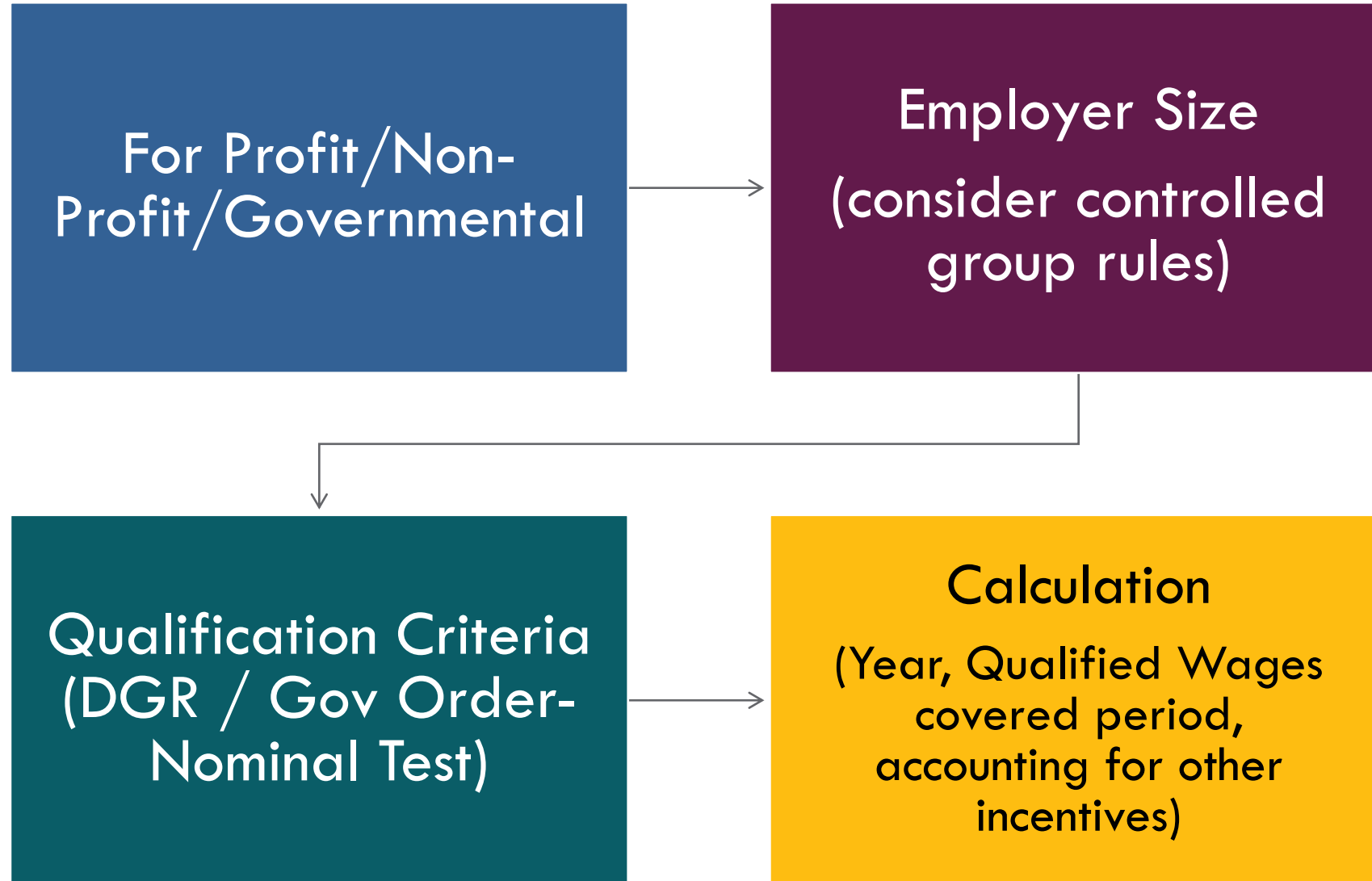
OTHER IMPORTANT CONSIDERATIONS

- No requirement to maintain certain level of employment or payroll levels.
- No overall dollar limit on amount of credit claimed.
- Limitations on claiming the ERC for an individual employer / owner hiring his or her family members.



ERC QUALIFICATION

CONCEPTUAL DECISION TREE



ELIGIBLE EMPLOYER – GROSS RECEIPTS TEST – 2020

Significant decline in gross receipts:

Gross receipts in any 2020 calendar quarter are less than 50% of the same 2019 calendar quarter.

Example:

	2019	2020		
	Gross Receipts	Gross Receipts		
Q1	\$10,000,000	\$9,000,000	90%	Not Eligible
Q2	\$12,000,000	\$5,000,000	42%	Eligible
Q3	\$11,000,000	\$9,000,000	82%	Eligible
Q4	\$10,000,000	\$7,000,000	70%	Not Eligible

Gross receipts definition

Very inclusive

Aggregation rules apply



ELIGIBLE EMPLOYER – GROSS RECEIPTS TEST – 2021

Qualification:

Gross receipts test - greater than 20% reduction vs same calendar quarter in 2019 (previously 50%):

Still comparing current quarter to 2019, not 2020.

Election to use alternative quarter:

For 2021, an employer can use its prior quarter to qualify with reduction in gross receipts (vs same quarter in 2019).

For employers not in existence in the same quarter in 2019:

Can use quarters in 2020.



ELIGIBLE EMPLOYER – SUSPENSION OF OPERATIONS

Applies to 2020 and 2021; can only claim credit during suspension period.

IRS Notice 2021-20 (and Notice 2021-23):

Government order:

“Essential Business” classification does not automatically disqualify employer from being partially or fully suspended

More than nominal test

Not partially suspended:

If a business can do all the same functions via “teleworking”

Customers required to stay home due to government order won’t constitute partial suspension of operations for the affected business

Supply chain





SUSPENSION OF OPERATIONS

- Elective procedures
- Visitation restrictions
- Occupancy constraints due to covid-19 surges
- Nominal needs to be:
 - Tied to a government order reducing the organization's operational capacity.
 - Nominal portion of revenue needs to be at least 10% of total organization-wide Gross Receipts.
 - Nominal effect of government order needs to reduce operational capacity by at least 10%.

PROVIDER RELIEF FUNDS (PRF)

- Generally recorded as revenue when earned and recognized.
- Some organizations did not record PRF funds as revenue in 2020 even though it was earned:
 - Qualifying COVID-19 expenses.
 - Qualifying lost revenues.
- PRF funds are included in gross receipts for ERC.
- There is little guidance on in which quarters should PRF funds be recorded for ERC.
- Ensure PRF funds are recorded in quarters the PRF funds are earned (sufficient expenses and/or lost revenues) and recognized (i.e. has been recorded as revenue on the financial statements).



SUBSTANTIATION REQUIREMENTS

What records should be maintained to substantiate the ERC?

Documentation for determining how eligible employer status was determined

- Gross receipts analysis
- Governmental orders relied upon
- How more than a nominal effect on operations was determined

Qualified wage computations

- For large employers, records showing workers being paid but not providing services
- Health plan expense computations
- Aggregated group analysis
- Tax forms claiming the credit

Maintain records for at least 5 years



PPP AND ERC INTERPLAY

PPP AND ERC INTERPLAY

PPP and ERC not exclusive, but wages giving rise to PPP loan forgiveness cannot also be used for ERC purposes.

For many borrowers, PPP covered period (usually 24 weeks) and ERC eligible quarters will overlap:

Taxpayers have latitude to apportion wages between PPP covered period and ERC quarters (just no double dipping).

Also, wage amounts that do count as eligible PPP expenditures (wages in excess of \$100k annually) may still count as ERC wages.





RECAP & NEXT STEPS

RECAP

Great opportunity for organizations to receive some much-needed cash flow

Qualifying Criteria:

Decline in Gross Receipts

Governmental Order having a Nominal Effect on a Nominal Portion of Business

Up to \$10,000 of Qualifying Wages:

50% Annual Credit 2020 = Up to \$5,000 per employee annually

70% Quarterly Credit for 2021 = Up to \$7,000 per employee quarterly

100 Employee provider organization Example:

Up to \$500,000 of ERC in 2020

Up to \$2,100,000 of ERC in 2021

Beware of ERC Mills / IRS Audits

Time is of the essence we have 1-2 years to apply





QUESTIONS?

This presentation is presented with the understanding that the information contained does not constitute legal, accounting or other professional advice. It is not intended to be responsive to any individual situation or concerns, as the contents of this presentation are intended for general information purposes only. Viewers are urged not to act upon the information contained in this presentation without first consulting competent legal, accounting or other professional advice regarding implications of a particular factual situation. Questions and additional information can be submitted to your Eide Bailly representative, or to the presenter of this session.

THANK YOU!

Joe Sawatske

Principal, Business Credits & Incentives

jsawatske@eidebailly.com

612.253.6792

Shawn Deluhery

Senior Manager, Healthcare

sdeluhery@eidebailly.com

612.253.6577



CPAs & BUSINESS ADVISORS