



EMPLOYEE RETENTION TAX CREDIT:

»»» WHAT YOU DON'T KNOW CAN COST YOU

Employee Retention Credit, 3 words that can put thousands of dollars in your bank account. Yes, this is different than PPP. No, you do NOT pay this money back. Yes, you can spend the money however you want.

These are the things you might not know that will cost you to miss out on free money from the government.



EMPLOYEE RETENTION CREDIT EXPLAINED

The Employee Retention Credit is a refundable tax credit

(in other words, the Government sends you a check regardless of how much you actually paid in taxes) of up to \$26,000 per employee. Does it sound too good to be true? Keep reading.

There are **two ways** to qualify for this credit. One is if your business suffered a really big revenue decline. Take a look at all of the quarters in 2019 – each quarter – one, two, three, and four. Then for 2020, you look at the same quarters, one, two, three, four, and you compare the revenue. If you had a decline of 50% year over year, you could qualify for the credit for that entire quarter.

For 2021, it's a little bit easier to qualify and show the revenue decline. The threshold is lower. Compare any quarter in 2021, first, second or third quarter, to the same quarter in 2019. And if you had a 20% revenue decline, you qualify for this credit for the entire quarter. If you suffered a revenue decline in one quarter, you automatically qualify for the next quarter.

There are spreadsheets available on the Internet, or you can do your own math on the back of a napkin to calculate your revenue decline to see if you qualify. But you can't stop there with the analysis. **The IRS has issued a couple of hundred pages of guidance on this**, discussing

the other way to qualify for the credit. This is to show that government shutdown orders fully or partially shut down your business. In true lawyer fashion, we found the grey area, and we can help you determine what does that even mean?

The answer is it depends. It's GRAY.

Shocking right? If your business was closed or completely shut down, it's a pretty easy argument to make. The other way is to determine how your business was affected by the pandemic. For example, do you put on seminars? Well, that part of your business was most likely affected in 2020 and probably for at least the first half of 2021. Did you have trouble getting to court because of the closures? Are your courts delayed, or completely backed up? Are your immigration service centers still shut down?

The point is this. You didn't have to lose your shirt to have suffered a loss. There's another way to qualify for this credit.

I LOVE THIS STUFF

Hi. I'm Adam Williams, founder of Rust Belt Business Law in Erie, Pennsylvania.

» We have helped businesses claim over **\$10 million in credits**, and we have hundreds more to help.



I don't really like to admit this publicly, but I'm actually friends with a lot of lawyers. And I want to share this story within you to see if you could relate.

I was at an event, and I ran into a buddy of mine that owns a pretty big family law firm in Philadelphia. We were talking about the employee retention credit. He

knew that we were doing a lot of work on this. He knew that we were helping a lot of law firms and getting our clients lots of free money. And he said, "Yeah, I had my CFO and my comptroller take a look at this and we're not going to qualify for it."

Unlike a CFO and a comptroller, I focus on getting free money for

our clients, so like any good lawyer I flat out told him that he was wrong. I mean no offense I said, but this is what we do, and I'd like to dig a little deeper if I may. Well, because of our relationship he took the ribbing quite well and agreed to at least have a conversation with us.

SPOILER ALERT! They did qualify for this credit and we're getting them over \$600,000. That's \$600k to spend or invest as he sees fit. (I suggested that he buy a condo in Miami, and let me hang out there)

I mean, there are some things you need to consider but for the most part, this is free government money and if you've ever met me you know one of my favorite things to do is to take money from the government and return it to business owners who will actually use it for good.



The background of the entire slide is a collage of various US dollar bills, including \$100, \$50, and \$20 bills, some of which are partially obscured by the text and other elements.

YOU'RE SITTING THERE ASKING YOURSELF...

»»» How can my business / law firm qualify for this free money? How are the credits calculated?

I think one of the easiest examples to understand comes directly from the IRS.

They compare hospitals and grocery stores. Both were pretty much deemed essential. But the guidance from the IRS says one may qualify and the other one may not. So look at hospitals early in the pandemic, their emergency rooms were allowed to stay open and their intensive care units were allowed to stay open. But things like elective surgeries couldn't happen. And the IRS says this may be enough to qualify.

But then they give you the example of grocery stores. Grocery stores were allowed to stay open, but their prepared food buffet, they had to close. And the IRS has said this is nominal, probably not enough to qualify. Are you seeing the grey area?

HOW DO WE DO THIS?

We construct an argument somewhere between those two examples to show, yes, you do qualify or no, you don't.

»»» We can look at both the revenue decline and the impact of government shutdown orders to determine whether you qualify.

So far, we've helped over *150 law firms* (and growing by the week) go through this analysis and we've claimed the credit for them.

The other part of the employee retention credit that you need to understand is how the credit is calculated. And this is, in my opinion, the **most confusing part**. Maybe it's because I'm an attorney and I'm not good at math. That's why I went to law school. It's also why I married a CPA.



SIMPLE EXPLANATION?

For 2020, you can get a credit of 50% of the wages paid up to \$10,000 per employee.

» If you're eligible, you calculate your employee wages, claim up to 50% of those wages. The wage cap is \$10,000 (in other words, the credit limit is \$5,000 for 2020). If you paid an employee less, you can still get a credit of 50% of wages paid.

MORE MATH AHEAD

In 2021, it gets even better. The credit is 70% of the wages paid up to \$10,000 of wages per quarter for the first, second and third quarters. So the credit is up to \$7,000 per employee per quarter in 2021. But you need to look at every single payroll entry that you've made for those employees, for each employee, for each of those quarters to calculate the credit. If you're like me, maybe you should hire someone to do that math (like I did).

Once you determine eligibility and once you calculate the credit, you claim this credit on a form 941 X, you amend your payroll tax returns. And again, this is a refundable credit, meaning it doesn't matter how much you paid in tax, you're going to get a check back for the refundable credit.

HOW LONG WILL THIS TAKE?

After the amended returns are filed,

We were seeing turnaround times of about six months from the IRS. In some instances, they are turning these around in 12-14 weeks. Once your returns are filed, you'll get the check in the mail and then you can do whatever you want to with it.



THE LESSON

If we learned anything throughout the pandemic, it's that business owners and law firm owners don't want to take the time to figure out all these new programs.

They're busy running their law firms. The money is there for the taking and our firm is available to do the work for you. We will determine the eligibility. We will issue an opinion letter. We will do the calculations, and we will prepare the returns for you.

All you have to do is wait for your check to show up.

NEXT STEPS

Schedule a call
with my team
(814) 250-7870

TESTIMONIALS

“

Adam and his team are fantastic. They get results. He got me nearly \$90,000 of ERC money when my CPA told me it was impossible. Best value for the money.



– DUSTIN MACFARLANE

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They are the only firm we, at ESQgo, trust for Employee Retention Credit matters, and our clients love working with them.



– DANNIE ANDRADE

TESTIMONIALS

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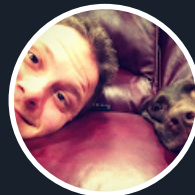


— CHRISTY ZLATKUS

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In May of last year my wife and I sold our house in Erie and invested most of our cash into a new business in Columbus. By September we were just starting to become profitable. About a month before the lockdown, we lost 70% of sales revenue at our Ohio State location, sales began to decline at our other 4 locations, and overhead was draining cashflow faster than I could react. We closed one of our stores in Erie overnight but the bleeding didn't stop. The idea of a lockdown was becoming more of a reality and for the first time in my life I was frozen in fear, out of ideas and had zero control of the situation. I called Adam, explained the situation, told him I was contemplating bankruptcy, offered to sell him my JJ's in Erie, and rambled incoherently. At that point he knew exactly what I needed and reached through the

phone and smacked me in the face. We made a plan to survive, negotiated rent abatements and deferments, got the bank to push my loan off, and inched by until PPP became available. He and Jackie found \$55,000 more than what I would have received if I applied on my own. They've not only held my hand through this process, but have helped me succeed throughout. I will now be receiving full forgiveness on the loan and am able to survive. I still don't know how to thank them, hopefully this ridiculously long review and free JJs for a long time will suffice. Some heroes wear capes, some wear pocket squares and horned rimmed glasses.



— ALEK HANSEN



INFORMATION BROUGHT TO YOU BY

Adam is the founder of Rust Belt Business Law – a fast-growing law firm in a slow-growing town.



»»» **His mission:** restoring the rust belt with entrepreneurship, job creation, and dad jokes. Our firm helps small businesses pursue opportunities, create jobs, and improve our economy.

At one time Adam started a grilled cheese food truck. Before that, he launched a board game that brought national media attention. Adam spends his time now working on other ventures that are a little more grown up.

Adam is inspired by entrepreneurship and small business, direct response marketing, non-traditional and unexpected solutions, mindset & personal development, helping create businesses that serve the owners, and high performance driving.

Prior to opening Rust Belt Business Law, Attorney Williams served as the Judicial Law Clerk to the Honorable John J. Trucilla in the Erie County Court of Common Pleas. He's also worked in the tax department of a Big 4 accounting firm, with a non-profit legal aid organization, and for one of Western Pennsylvania's largest personal injury law firms.

Adam received his undergraduate degree in Business from Penn State Behrend and his MBA and J.D. from the University of Pittsburgh. A Cathedral Prep graduate and active member of the community, Adam has served on the Board of Directors for the Erie County Bar Association, Lakeshore Community Services, the Innovation Collaborative, and the Erie Art Museum. He was named to the 2013 Erie Reader 40 Under 40, and has also been listed as a Pennsylvania Super Lawyers Rising Star in 2016, 2017, 2018, and 2019. In 2019, Adam became one of the first six lawyers in the nation to be certified as a Deal Making Attorney by real estate investing guru, Ron LeGrand.



**SCHEDULE TO SEE
IF YOU QUALIFY FOR
THIS TAX CREDIT**