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**MEMBERS: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS**  
**NORTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS**  
**CHARTERED GLOBAL MANAGEMENT ACCOUNTANTS**

**IMPORTANT NOTICE REGARDING EMPLOYEE RETENTION CREDITS (ERCs)**

2/8/2021

The Consolidated Appropriations Act of 2021 (THE CAA) signed into law late December 2020 included favorable changes for the ERCs. It is important that you inform us of how you may have been impacted by the Coronavirus so we can assist you in obtaining any credits you may be entitled. This chart is not all inclusive but gives you general features of the ERC; who may qualify and what periods are covered. This is a complex piece of legislation and we cannot cover all the specific parts that may pertain to your business. You are encouraged to call us if you have questions or believe you may qualify for any of these credits.

WAGE PERIOD	3/13/2020-12/31/2020		1/1/2021-6/30/2021
ELIGIBILITY	EITHER FULL OR PARTIAL SUSPENSION OF OPERATIONS, OR MORE THAN 50% DECLINE IN GROSS RECEIPTS IN ANY 2020 QUARTER OVER THE SAME 2019 QUARTER		EITHER FULL OR PARTIAL SUSPENSION OF OPERATIONS, OR MORE THAN 20% DECLINE IN GROSS RECEIPTS IN ANY 2021 QUARTER OVER THE SAME 2019 QUARTER
CREDIT AMOUNT	50% OF QUALIFIED WAGES UP TO <b>\$10,000</b> YEARLY CAP (\$5,000 CAP PER EMPLOYEE FOR THE YEAR)		70% OF QUALIFIED WAGES UP TO <b>\$10,000</b> PER QUARTER 1 AND QUARTER 2 (\$14,000 CAP PER EMPLOYEE FOR THE YEAR, \$7,000 IN EACH OF QUARTER 1 AND QUARTER 2)

Please be aware that receiving a Paycheck Protection Program (PPP) loan no longer restricts the use of Employee Retention Credits (ERCs) as was stated in the prior law. You cannot use the same wages to satisfy the forgiveness of the PPP loan that you use for the ERC, but you may qualify for both. It is important not to file a PPP loan forgiveness application until you evaluate whether or not some of your payroll may qualify for the ERCs. We continue to monitor updates from the Small Business Administration as well as the Internal Revenue Service. The AICPA, American Institute of Certified Public Accountants, as well as some accounting and tax organizations are continuing to request clarification on various issues that pertain to CAA.