

Qualifying is complex, we provide **white glove service** for you!

Two ways to qualify:

A significant decline in gross receipts for any eligible quarter in 2020 or 2021, defined as a 50% reduction in revenue during any quarter in 2020 compared to the same quarter in 2019, or a 20% reduction in revenue in any quarter of 2021 compared to the same quarter in 2019.

Or

A full or partial suspension of operations due to orders from the federal government, or a state government having jurisdiction over the employer, limiting commerce, travel, or group meetings related to COVID-19.

Below are some **example topics** regarding how your business **may have been impacted** during the COVID pandemic.



Change in business hours



Supply chain or vendor interruptions



Reduction in services offered



Reduction in workforce or employee workloads



Lack of travel and group meetings



... and more

Note: An employer's independent decision to suspend part or all of its operations does not meet these criteria.

Partial Suspension – Suspended by Government Order

Partial Suspension

- To meet the requirement of a partial suspension of operations for the purpose of claiming the ERC, a business must have experienced a **nominal impact** to their operations as a result of government order restrictions.

Governmental Orders

- It's important to consider "orders from an appropriate governmental authority" as defined by the IRS.
- These orders include those issued by the federal government, state governments, or local governments that limit commerce, travel, or group meetings (for commercial, social, religious, or other purposes) due to COVID-19.

Defining Nominal Impact: Two Considerations

- More than a **Nominal Portion** of business operations are suspended or modified by a governmental order.
- According to the IRS guidance suspended, restricted or modified portions of a business's operations is considered to be more than nominal if:
 - 1- Gross receipts from that portion account for 10% or more of a business's total gross receipts, OR
 - 2- Employee hours worked related to that portion account for 10% or more of the total hours worked.
- Note: Source **IRS Notice 21-20** - [Ref: IRS FAQ#11](#) & [Ref: IRS FAQ#18](#)

Note Full Suspension: To meet the requirement of a full suspension of operations for the purpose of claiming the ERC, a businesses operations must have fully shut down as a result of government order restrictions.