



Tax and Attest Services

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## Payroll Tax Credits

The IRS has announced Payroll Tax Credits for Employers who are paying their employees through the COVID-19 pandemic. This is an announcement, and is subject to be released next week.

This credit prospectively will allow employers to postpone depositing the federal tax deposits. Please use this website to read more about it:

[Click here to find out more.](#)

If you are an employer of 500 employees or fewer employees, and are required to provide emergency paid sick leave and emergency paid family medical leave to employees. You may be eligible for these credits if you are paying employees via payroll which are:

### Paid Leave:

1. Unable to work because the employee is quarantined, and/or experiencing COVID-19 symptoms, and seeking medical diagnosis.
  - a. Credit: Employers may receive a refundable sick leave credit for sick leave at the employee's regular rate of pay (100%), up to \$511 per day and capped at \$5,110 for up to 10 days
2. Unable to work because of the need to care for an individual subject to quarantine, to care for a child whose school is closed, or the care provider is unavailable for reasons related to COVID-19
  - a. Credit: Employers may claim a credit for 2/3 of the employee's regular rate of pay, up to \$200 per day, and capped at \$2,000 for up to 10 days

Child Care Leave Credit:

1. Unable to work to care for a child whose school is closed, or the care provider is unavailable for reasons related to COVID-19
  - a. Credit: Employers may receive a refundable childcare credit for 2/3 of the employee's regular rate of pay, up to \$200 per day, and capped at \$10,000 for up to 10 weeks of qualifying leave

General:

- You can receive additional tax credits determined on costs to maintain health insurance coverage for the eligible employee during the leave period.
- Eligible employers who pay qualifying sick or child care leave will be able to retain an amount of payroll taxes equal to the amount of qualifying sick and child care leave that they paid, rather than deposit them with the IRS.