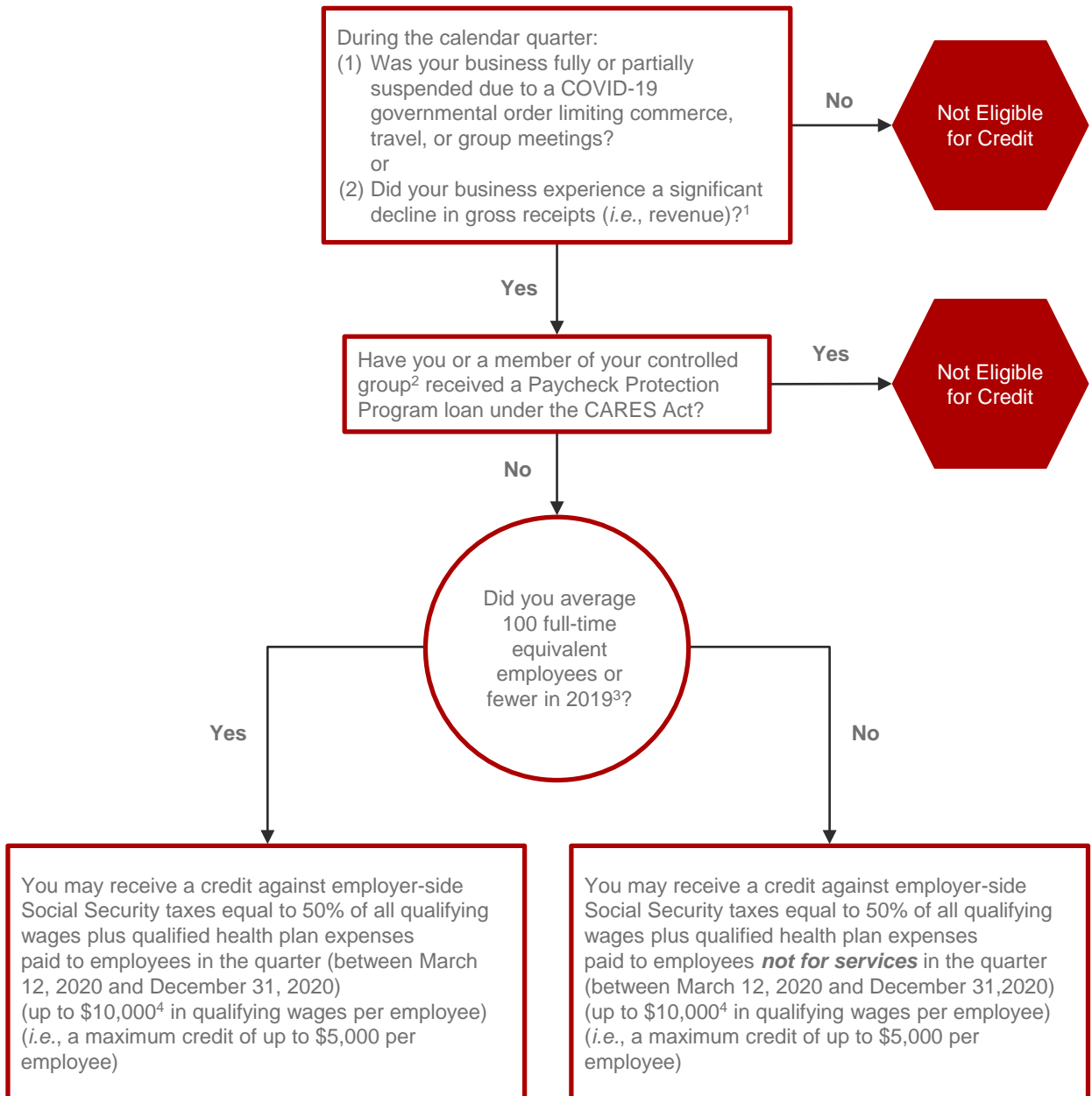


## CARES ACT RETENTION TAX CREDIT: A visual aide for an employer's eligibility to take tax credits for retaining employees



### Notes

<sup>1</sup> Significant Decline: experience a year-over-year (comparing 2020 to 2019 equivalent calendar quarters) reduction in gross receipts of at least 50%. Eligibility based on a reduction in gross receipts will continue during the effective period of the credit until such quarter as gross receipts exceed 80% year-over-year.

<sup>2</sup> Eligibility for the Retention Tax Credit is determined based on all entities within a controlled group (using 50% ownership test) and treats all parent, subsidiary and brother-sister entities as if they were all one employer.

<sup>3</sup> Full time equivalent employees (as determined under the Affordable Care Act) includes part-time employees by converting the total number of hours of service worked by part-time employees into full-time equivalents. Formula is generally total hours divided by 120.

<sup>4</sup> The same \$10,000 in wages cannot be considered for both the Employee Retention Tax Credit and any tax credits under the Families First Coronavirus Response Act. No double dipping.