IRS Guidelines: Interaction with Payroll Protection Program

New Legislation from December 2020 changed the PPP & ERC interaction

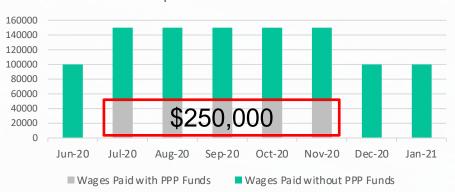
 Post this legislation, business that received PPP are now also be eligible to pursuit ERC

Interaction of PPP & ERC

- No double dipping with both programs
- If you received PPP, you must deduct your PPP loan wage amount from your eligible ERC wages

Example PPP and ERC Interaction

- If you received a PPP loan of 250k & are eligible for ERC of 800k, you must deduce the PPP amount from eligible ERC amount if the covered period wages overlap with the qualified ERC wages.
- \$800k \$250k = \$550k of eligible ERC wages*



Example PPP & ERC Interaction



Note: BLC analyzes the PPP loan covered period and ERC eligibility period to ensure the PPP loan forgiveness is satisfied while claiming the amount of eligible ERC.

*Note: As it relates to PPP, you will need to understand the amount of wages vs other operating expenses related to your loan forgiveness (e.g., rent, utilities) and factor those into your calculation