

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 deduct 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*

