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Wyoming Small Businesses Should Take a Look at the Employee Retention Credit

The American Rescue Plan, signed into law on March 11, 2021, extended the availability of the Employee Retention Credit for small businesses through December 2021 and allows businesses to offset their current payroll tax liabilities by up to \$7,000 per employee per quarter. This credit of up to \$28,000 per employee for 2021 is available to small businesses who have seen their revenues decline, or even been temporarily shuttered, due to COVID.

There is no size limit on eligibility for the credit. However, the program is applied differently to small and large businesses:

- For employers with 100 or fewer full-time employees, all employee wages qualify for the credit, whether the employer is open for business or subject to a shutdown order.
- For employers with more than 100 full-time employees, qualified wages are wages paid to employees when they are not providing services due to COVID-19-related circumstances.

Wyoming is home to more than 68,000 small businesses – that’s 98.9 percent of all businesses in the state. These businesses employ nearly 129,000 people, serve as the backbone of Wyoming’s economy and could benefit from applying for the ERC.

“Many Wyoming businesses report that the Paycheck Protection Program helped them tremendously over the last year, and they are well on their way to recovery. However, as the PPP program has come to a close, you might be wondering if there is anything else that could help if your business is still struggling. In this regard, the Employee Retention Credit just may be this summer’s sleeper hit,” said Amy Lea, SBA Wyoming District Director. “In 2020, you had to choose between using the PPP program and these payroll tax credits. Fortunately, the Consolidated Appropriations Act of 2020 and the American Rescue Plan made these credits a lot more flexible and, if your business qualifies, you can coordinate the use of both.”

They are very easy to request, too – they can be requested directly on your 941 or 943 quarterly payroll reports. If your quarterly revenues are still down by 20% or more compared to 2019, the time you spend working with your accounting professional to research your eligibility for this tax credit could result in a refundable tax credit of up to \$7,000 per quarter per employee.

For some businesses, this might make the difference between being able to keep someone on payroll and having to let them go – and that is exactly the point.

For more information about the Employee Retention Credit, including how to apply and eligibility requirements, please visit the U.S. Department of the Treasury's [website](https://www.treasury.gov), www.treasury.gov.

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About the U.S. Small Business Administration

The U.S. Small Business Administration makes the American dream of business ownership a reality. As the only go-to resource and voice for small businesses backed by the strength of the federal government, the SBA empowers entrepreneurs and small business owners with the resources and support they need to start, grow or expand their businesses, or recover from a declared disaster. It delivers services through an extensive network of SBA field offices and partnerships with public and private organizations. To learn more, visit www.sba.gov.