



Jorns & Associates



Jorns & Associates, LLC  
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Demystified!



# VERY IMPORTANT INFORMATION

## Employee Retention Tax Credit (ERC)

- ERC is Real!
- ERC has attracted Scammers!

*“While this is a legitimate credit that has **provided a financial lifeline to millions**, there continue to be promoters who aggressively mislead people and businesses”*

— Doug O’Donnell

Acting IRS Commissioner

- **23.2M to 26.5M Organizations might qualify for ERC**

... **Over 2.5 Million claims were filed by 7/31/2023** (per IRS, IR-2023-135)

- there are 33.2 million small organizations in America (US Chamber of Commerce 4/10/2023)
- IRS estimated 70% to 80% of small organizations could/should qualify for ERC

... **Millions of Legitimate Claims are still possible**

# SAMPLE OF CLIENTS SERVED

## Retail, Distribution, & Industry

- |                              |                     |
|------------------------------|---------------------|
| • Red Rock Grill             | • Synergy Appliance |
| • Durko Investments          | • Kuperus Trucking  |
| • Luurtsema Sales            | • Kallman Legal     |
| • The Depot                  | • All Seasons RV    |
| • Metal Works Restorations   | • 616 Counseling    |
| • AJ Pallets                 | • Erik J Lee DDS    |
| • Carone's Market of Mt. Top | • Fremont Ford      |

## Services

- |                           |                                      |
|---------------------------|--------------------------------------|
| • Tiger Health Markets    | • Yoder Construction                 |
| • TeamLogic IT            | • Joslyn Services (ins.)             |
| • Hudsonville Vision Care | • danMark Graphics                   |
| • Clothesline Consignment | • All Warning Systems                |
| • Calumet Park Cemetery   | • White Glove Cleaning & Maintenance |

## Agriculture

- |                      |                 |
|----------------------|-----------------|
| • Van Singel Farms   | • Gee Orchards  |
| • Pebble Brook Farms | • Greiner Farms |

# SAMPLE OF CLIENTS SERVED (CONTINUED)

<b>Church Organizations</b>	
• Grant Wesleyan Church	• Bridge Bible Church
• The Zero Collective Church	• Bailey Christian Church
• Starkey Road Baptist Church	• Calvary Baptist Church of Muskegon
• Chapel Pointe, Hudsonville	• Lighthouse Community Church
• Rivertree Community Church of Jackson	• Frontline Bible Church
• Wellspring Community Church	• Mt. Airey Bible Church
• Doxa Church Upstate	• Grace Community Church, Hudsonville
<b>Private Schools</b>	
• Hudsonville Christian School	• Cornerstone Christian Academy
• Freedom Early Learning Center	• Mt. Airey Christian Academy
• Ambassador Baptist College	• Baltimore School of the Bible
• Muskegon Christian School	
<b>Other Nonprofits</b>	
• Unlimited Potential Inc.	• Ironwood Camp
<b>Nonprofits served by our extended team</b>	
• True Freedom Ministries	• Youth for Christ
• Sun Tree Hospice of Colorado	• Hill Country Crisis Council
• Parkside Church (Alistair Begg)	

# ERC IS AN ECONOMIC STIMULUS PAYMENT



- First introduced in the *CARES Act* (03/25/2020)
- **It's a Refundable Tax Credit**
- Amended by
  - (1) *Consolidated Appropriations Act*,
  - (2) *American Rescue Plan Act*, and the
  - (3) *Inflation Reduction Act*
- **Your Refund might be \$0, \$130k (5 employees \* \$26k), or More!**

	# Full-Time	Q1	Q2	Q3	Q4	Possible Credit
2019	Part of the analysis compares quarterly information (2020 Q2 to 2019 Q2, etc.)					
2020	≤ 100					\$5k / employee
2021	≤ 500	\$7k	\$7k	\$7k	\$7k	\$28k / employee

While the theoretical maximum credit is \$33k / FT employee, most organizations do not qualify for 2021-Q4 reducing it to \$26k

# HOW YOU QUALIFY FOR AN ERC REFUND

## ❖ The following factors *do not* automatically disqualify you:

- Did not have a revenue decline &/or did better during COVID
- Did not shut down &/or were considered “essential”
- Received PPP Loans

## ❖ **Original Guidance** on Qualifying for ERC (March 2020) ...

- Gross Receipts Reduction in 2020 and 2021 vs. 2019? (i.e. 2020 Q2 vs. 2019 Q2, etc.)
- **AND** Did *not* take any PPP money

## ❖ **Current Guidance** (each amendment to the Original Law allowed more to qualify for a refund)

- May not double-dip – must exclude wages used for PPP from your ERC calculations
- Satisfy a Financial Test
- **OR** Satisfy a Non-Financial Test



# ADDITIONAL QUALIFICATION QUESTIONS

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- Revenue sectors showing a decline?
- Incurred additional expenses or costs to deal with COVID?
- Trade Shows & Conferences – gone virtual? Not attended?
- How do you engage with customers and prospects?
- What changes did your business make in response to COVID-19?
- What do you not do now or during COVID that your business used to do?
- How were your office operations impacted?
- How were your warehouse and distribution operations impacted?
- How were your customer-facing operations impacted?
- How were your suppliers and key customers impacted?
- Did your business **fully** or **partially** suspend operation during any calendar quarter?  
(During 2020 and/or 2021, due to orders from an appropriate governmental authority limiting commerce, travel, or group meetings due to COVID-19 (includes working from home)?



# HOW YOU RECEIVE YOUR ERC REFUND

- Paid to you directly via a check from the IRS
- Tax credit against employer portion of Social Security/Medicare
- **Fully refundable tax credit**  
(which means if your calculated credit is more than your tax – you'll still get the higher number)
- **Not** a Loan
- **No** requirements/restrictions on how it's spent
- **Claim by filing an amended return(s)** [quarterly 941-X or equivalent]



*Anyone may arrange his affairs so that his taxes shall be as low as possible ...  
for nobody owes any public duty to pay more than the law demands.*

– Senior Judge Learned Hand in *Gregory v. Helvering* (1935)



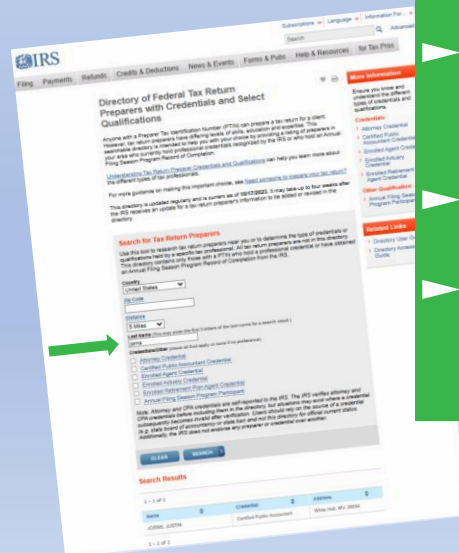
# IRS SCAMMER ALERT

## WARNING SIGNS

- ▶ Preparer refuses to sign the ERC return
- ▶ Preparer refuses to explain why you qualify
  - Little to no reference to eligibility requirements
  - Little to no explanation on credit calculations
- ▶ Pressures you to submit a claim – “*nothing to lose*”
- ▶ Large upfront fees to help you claim the credit
- ▶ Aggressive marketing (Unsolicited calls & advertisements)

Go here to see if your provider is in the IRS Directory of Trusted Tax Professionals:

<https://irs.treasury.gov/rpo/rpo.jsf>



## HOW TO PROTECT YOUR ORGANIZATION

- ▶ Work with a trusted tax professional
- ▶ Make sure you have Audit-Defense built-in to the process
  - Explanation on how your organization qualified
  - Include references to specific government order(s)
  - Explanation on how your ERC amount was calculated
- ▶ Confirm a real person (CPA or Enrolled Agent) signs and files your amended return (including compliance services)
- ▶ Make sure you don't have to pay your contingency fee until AFTER you receive your check from the IRS
- ▶ Ask for Guarantees and Long-term Audit Support
- ▶ Ask how they minimize human error

# Q & A • NEXT STEPS



1. Confirmation email

2. Welcome email  
(sign & deposit)

3. Portal email

4. Upload  
Documents

5. Analyze Data

6. Maximize  
Results

7. File Amended  
Return(s)

8. IRS  
Processing

Yes – these are actual refund checks!



10. Pay Contingency Fee  
*Thank You!*

- Q&A Now

- Q&A Later

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- Do more research (<https://costcuttersi.com/erc/>)

