

July 2nd, 2021

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If you need further assistance with these issues, please reach out to your Boyum Barenscheer CPA.



**Important Changes to the Child Tax Credit:**

Recently, there were changes made to the child tax credit that will benefit many taxpayers. As part of the American Rescue Plan Act that was enacted in March 2021, the child tax credit:

- Amount has increased for certain taxpayers
- Is fully refundable (meaning you can receive it even if you don't owe the IRS)
- May be partially received in monthly payments

The new law also raised the age of qualifying children to 17 from 16, meaning some families will be able to take advantage of the credit longer.

The IRS will pay half the credit in the form of advance monthly payments beginning July 15 and ending in December of 2021. Taxpayers will then claim the other half when they file their 2021 income tax return. [READ MORE](#)



**Update on ERC and PPP Loans:**

Reminder that your **PPP1 forgiveness applications** are due 10 months after your 24 week covered period is completed. For example a PPP1 loan that was funded April 19<sup>th</sup> the 24 week covered period ends October 3<sup>rd</sup>. So the 10 month due date to submit forgiveness applications would be August 3<sup>rd</sup>. There is plenty of time to work on the PPP1 forgiveness applications and we are here to assist with them. We've helped hundreds of clients prepare their PPP1 forgiveness applications of all size. Now is the time to work on them if you haven't already submitted.

For **PPP2 forgiveness** we recommend waiting for the 24 week covered period to be finished before you consider preparing PPP2 forgiveness applications. Once the 24 weeks have concluded we'd be happy to assist with your PPP2 forgiveness applications as well.

**Employee Retention Credits** are a huge opportunity to create cash flow for a business that struggled or was shut down or had operations restricted during the pandemic. There are a number of ways to qualify and we can help you determine if your business qualifies and then do the calculations involved. We have been helping a lot of clients now and are expecting to do 200 or more of these projects this year. We are prioritizing the clients who are most in need, but are going to be getting to as many clients as we can this summer. This summer and fall would be a great time to have us look into the ERC for your business both for 2020 and seeing about qualifying in 2021.

For more information on ERC, check out this [video](#) by Chris Wittich. Also, fill out our [intake form](#) to guarantee that you are in the queue to be contacted about ERC work.

