



TO: NAW Direct Members

FROM: NAW Government Relations Team

## **1. Treasury and IRS Release Guidance to Help Small and Midsize Businesses Navigate Paid Sick and Family Leave Tax Credits**

Today, the U.S. Department of the Treasury and the Internal Revenue Service are offering small and mid-size employers more information on refundable tax credits that reimburse them, dollar-for-dollar, for the cost of providing their employees paid sick and family leave wages related to COVID-19.

The Families First Coronavirus Response Act (FFCRA), signed by President Trump on March 18, 2020, gives businesses with fewer than 500 employees funds to provide employees with paid sick leave and family and medical leave related to COVID-19. Eligible employers can receive a credit in the full amount of the qualified sick leave and family leave wages paid for between April 1, 2020, and December 31, 2020.

Employers can be reimbursed immediately by reducing their federal employment tax deposits. If there are insufficient federal employment taxes to cover the amount of the credits, employers may request an accelerated payment from the IRS.

[Click here](#) to read more information on small and mid-size business tax credits for paid sick and family leave.

### **Guidance on Relief for Employers from Providing Payroll Taxes:**

<https://www.irs.gov/pub/irs-drop/n-20-22.pdf>

### **Form 7200, Advance Payment of Employer Credits Due to COVID-19:**

<https://www.irs.gov/forms-pubs/about-form-7200>

### **Small and Medium Size Business FAQ:**

<https://www.irs.gov/newsroom/covid-19-related-tax-credits-for-required-paid-leave-provided-by-small-and-midsize-businesses-faqs>