**BizBoost News**

**Volume 11, Issue 16**

**For distribution 1/24/22; publication 1/27/22**

**Tax Provisions in the Infrastructure Investment and Jobs Act**

While the Infrastructure Investment and Jobs Act of 2021 (IIJA) is primarily a bill that improves roads, bridges, and transit, as well as authorizing additional funding for energy, water, and broadband improvement, there are some tax-related provisions included.

**Employee Retention Credit Changes**

The Employee Retention Tax Credit (ERTC), which was a tax credit enacted under the CARES Act, is a provision designated to help small businesses retain their employees during the COVID-19 pandemic by refunding payroll costs already spent. The ERTC was extended to quarters three and four of 2021 by the American Rescue Plan Act, only to have Q4 taken away for most employers by IIJA. Under IIJA, only employers who qualify as a “recovery startup business” will have access to the tax credit in the fourth quarter of 2021. A recovery startup business meets the following criteria:

* It began carrying on any trade or business after February 15, 2020, and
* Average annual gross receipts is less than $1,000,000 for the preceding three tax years (or in most cases, for 2020 and 2021).

Employers that are non-recovery-startup businesses who qualify for the ERTC based on full or partial government shutdowns or a certain level of decline in gross receipts still have three years to file an amended 941 (or similar return, such as 943, etc.) to claim any credits they are eligible for.

The ERTC is a complicated area affected by several different pieces of legislation and rules that vary from quarter to quarter and situation to situation. Please do contact us if you feel your business may be eligible for the ERTC.

**Cryptocurrency Disclosures**

The IRS is giving fair warning on cryptocurrency that they will be focusing more and more on this area in future years. While the disclosure question about cryptocurrency first appeared on the 2020 Form 1040 tax return, the wording has been modified slightly for 2021:

“At any time during 2021, did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency?”

Digital assets are defined as "any digital representation of value which is recorded on a cryptographically secured distributed ledger or any similar technology." The definition of brokers is also expanded.

**Deadline Extensions for Disaster Victims**

For taxpayers affected by federally declared disasters, a 60-day extension is granted for:

* Filing income, estate, gift, employment, or excise tax return
* Payment of income, estate, gift, employment, or excise tax
* Filing a petition with the Tax Court or filing a notice of appeal on a Tax Court’s decision
* Allowance of a credit or refund of any tax
* Filing a claim for a tax credit or tax refund

To read more about the Infrastructure Investment and Jobs Act, review the [fact sheet](https://www.whitehouse.gov/briefing-room/statements-releases/2021/11/06/fact-sheet-the-bipartisan-infrastructure-deal/) released by the White House.

\*\*\*

**Tweets**

Insert a link to your newsletter, web site or blog before you post these:

Our latest blog: “Infrastructure Investment and Jobs Act” is available now! Subscribe here: [link]

While the Infrastructure Investment and Jobs Act of 2021 is primarily a bill that improves roads, bridges, and transit, as well as authorizing additional funding for energy, water, and broadband improvement, there are some tax-related provisions included. Find out more in our latest blog article: [link]

Our latest blog article reviews the additional tax-related provisions included in the new Infrastructure Investment and Jobs Act of 2021. Get instant access here to learn more: [link]

In an effort to better regulate the cryptocurrency market, the tax reporting requirements for digital assets has been addressed in the new Infrastructure Investment and Jobs Act of 2021. Learn more here: [link]

The Employee Retention Tax Credit (ERTC), which was a tax credit enacted under the CARES Act, is a provision designated to help small businesses retain their employees during the COVID-19 pandemic by refunding payroll costs already spent. Under the Infrastructure Investment Jobs Act, only employers who qualify as a “recovery startup business” will have access to the tax credit in the fourth quarter of 2021. Learn more here: [link]

DID YOU KNOW… A recovery startup business is defined as a business that:

* Began carrying on any trade or business after February 15, 2020, and
* For which the average annual gross receipts for the 3-taxable-year period ending with the taxable year which precedes the calendar quarter for which the credit is determined does not exceed $1,000,000.

Learn how the Infrastructure Investment Jobs Act affects who qualifies as a recovery startup business here: [link]

With the new Infrastructure Investment Jobs Act, taxpayers affected by federally declared disasters are granted a 60-day extension for:

* Filing income, estate, gift, employment, or excise tax return
* Payment of income, estate, gift, employment, or excise tax
* Filing a petition with the Tax Court or filing a notice of appeal on a Tax Court’s decision
* Allowance of a credit or refund of any tax
* Filing a claim for a tax credit or tax refund

Learn more in our latest blog article: [link]

Do you know how the new tax-related provisions included in the new Infrastructure Investment and Jobs Act of 2021 could affect you? Sign up for our newsletter to learn more: [link]