

**IRS Halts Employee Retention Credit Processing**

The Internal Revenue Service (IRS) has stopped processing new claims for the Employee Retention Credit (ERC), a pandemic-era tax break for small businesses. The IRS is increasingly alarmed about small business owners being scammed by unscrupulous actors, and growing evidence of questionable ERC claims pouring in. Aggressive marketing to ineligible applicants has created unacceptable risks to businesses and the tax system.

The ERC program will be paused through at least the end of 2023, allowing the IRS to add more safeguards to prevent future abuse and protect businesses from predatory tactics.

**Business owners considering applying for the credit should review the ERC guidelines and talk with a trusted tax professional, not a promoter looking to take a large percentage of the refund.**

Payouts for existing claims will continue during the moratorium period, but at a slower pace due to stricter compliance reviews. Processing times could be delayed from the standard 90 days to 180 days or longer.

The IRS will provide details later about how a taxpayer can withdraw an ERC claim, an option that will be available to the filers of more than 600,000 claims awaiting IRS review. This withdrawal option will allow the taxpayers to avoid possible repayment issues and keep them from having to pay contingency fees to promoters, the IRS says.

The IRS also is working out details of the settlement initiative that will allow taxpayers to repay a claim that they erroneously received and avoid penalties and future compliance action.

For more information, see the official [statement from the IRS](https://www.irs.gov/newsroom/to-protect-taxpayers-from-scams-irs-orders-immediate-stop-to-new-employee-retention-credit-processing-amid-surge-of-questionable-claims-concerns-from-tax-pros?utm_source=hs_email&utm_medium=email&utm_content=274449544&_hsenc=p2ANqtz-8WELE0TE92w2NTxDe4zzmX_XJpKhDmvuYcpruXkmolgN28LlHTPLZl-th80rw1OFW68dmNb0B7yRLt2UZRNAzhpgGzIA).