



Department of the Treasury
 Internal Revenue Service
 Cincinnati Refund Inquiry Unit
 P.O. Box 145500
 Mail Stop 536G
 Cincinnati, OH 45250

CAF

For your reference

Notice name: CP271 Employer ID (last 4 digits)
 Notice date: February 9, 2024
 To contact us: 866-897-0161

[Redacted]

We received your Employee Retention Credit (ERC) adjustment

We're aware of aggressive advertising involving the ERC. The credit is real, but it's important for those claiming the credit to understand the qualifications. This letter is to help you determine if you're eligible for the ERC. You can also visit [IRS.gov/ERC](https://www.irs.gov/ERC) for more information or ask an independent tax preparer to assist you.

⚠ Receipt of this letter doesn't mean your return was identified as having an error or that it's being questioned at this time. You're responsible for the information reported on your return. If you improperly claim the ERC, you'll be required to repay the credit along with applicable penalties and interest.

What you should do next

We recommend you confirm you're entitled to the ERC amount you claimed for the tax periods shown below. Review the abbreviated checklist at the end of this letter to help determine your eligibility.

Form	Tax Period(s)
941-X	202106, 202109

If you determine you're eligible and entitled to the ERC you claimed, no action is needed.

If you determine you're not eligible or entitled to the ERC, you can withdraw your claim.
 Obtain a copy of your adjusted return or claim for refund, write "Withdrawn" on the left margin of the first page. Have an authorized person write their name, date and title in the right margin, then sign beside it. Fax the edited copy to the ERC claim withdrawal fax number at 855-738-7609. You can use either a fax machine or online fax service. Protect yourself when sending digital data by understanding the fax services privacy and security policies.

⚠ If you request to withdraw your claim, you'll be asking us not to process your entire adjusted return or claim for refund. We'll send you a letter confirming if we accepted or rejected your withdrawal. Visit [IRS.gov/withdrawmyerc](https://www.irs.gov/withdrawmyerc) for more information.

If you determine you're eligible for the ERC but find an error in the calculation and you weren't entitled to the amount claimed, prepare a new adjusted return with the correct amount of the ERC, and any other corrections, for that tax period and mail it to the address in the form instructions.



Don't send the new amended return to the ERC claim withdrawal fax number.

If you believe your return is incorrect and want to provide information about the preparer who assisted you, complete Form 14242, Report Suspected Abusive Tax Promotions or Preparers, include supporting documentation such as business cards, name, Preparer Tax Identification Number, letterhead or correspondence, payments etc., and fax it to us at 877-477-9135 or mail it to:

Internal Revenue Service
Lead Development Center Stop MS5040
2400 Avila Road
Laguna Niguel, CA 92677-3405.

Abbreviated checklist for ERC eligibility

- You're eligible for the ERC if you:
 - Sustained a full or partial suspension of operations limiting commerce, travel or group meetings due to orders from an appropriate governmental authority, due to COVID-19 during 2020 or the first three quarters of 2021, or
 - Experienced a significant decline in gross receipts during 2020 or a decline in gross receipts during the first three quarters of 2021, or
 - Qualified in the third or fourth quarters of 2021 as a recovery startup business.

- If you received a Paycheck Protection Program (PPP) loan and it was forgiven, wages reported as payroll costs for PPP loan forgiveness (or wages used for certain other tax credits) can't be claimed for ERC in any tax period.

- If you're claiming the ERC for any quarter in 2020, the credit is limited to:
 - 50% of qualified wages, including qualified health plan expenses, and
 - Up to \$5,000 per employee (based on qualified wages paid, including qualified health plan expenses) for the year.

- If you're claiming the ERC in 2021, the credit is limited to:
 - 70% of qualified wages, including qualified health plan expenses, and
 - Up to \$7,000 per employee (based on qualified wages paid including qualified health plan expenses) per quarter.

- You may only claim the ERC in the fourth quarter of 2021 if you're a recovery startup business.

- If claiming the ERC as a recovery startup business in the third or fourth quarter of 2021, the credit is limited to \$50,000 per quarter.

- If you claimed the ERC, you must reduce your deduction for wages by the amount of your credit on your income tax return. If you didn't, you should file an amended income tax return to show the reduced deduction accordingly.

For more information about ERC eligibility, visit [IRS.gov/erc](https://www.irs.gov/erc).