



KBKG TAX INSIGHT: MEDICAL PROVIDERS CAN CLAIM ERTC

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Medical providers that perform elective procedures could have an opportunity to claim the Employee Retention Tax Credit (ERTC).

While most medical offices had to make a variety of operational changes to adapt to a safe environment during COVID, many of those operational changes do not meet the definition of a government shutdown for ERTC.

However, many states and local jurisdictions formally restricted elective procedures during 2020 or 2021, which could meet the threshold of a government shutdown.

While PPP forgiveness needs to be evaluated to ensure the wages are not double-counted, additional wages are often available after considering PPP. This is especially the case for providers operating multiple locations if they meet the definition of a small employer.

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CONSIDER THE FOLLOWING EXAMPLE

A medical practice with two locations operates in a jurisdiction that had a one-month elective procedure shutdown, meeting the definition of a partial government shutdown. An analysis of wages was performed to avoid overlap between PPP and ERTC, resulting in a credit of \$100,000.

[Contact us](#) today to find out how we can assist you with optimizing benefits.

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About the Author



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Ian Williams is a Director for KBKG, specializing in Research & Development. Ian spent eleven years at a Big Four accounting firm specializing in R&D tax credits and fixed asset studies across a variety of industries. He has extensive experience in software, heavy manufacturing, aerospace, automotive, and consumer products industries, as well as defending credit claims with the IRS. [» Full Bio](#)