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KPMG report: Employer-related liquidity—tax credits, deferrals, and efficiencies (COVID-19)

As a result of new U.S. legislation as well as existing rules, there are several employer-related tax credits, deferrals, and efficiencies providing economic stimulus that encourage cash retention and provide additional benefits for businesses affected by the coronavirus (COVID-19) pandemic.

A report prepared by KPMG examines select labor-related tax provisions of the "Coronavirus Aid, Relief, and Economic Security Act" (CARES Act), the "Families First Coronavirus Response Act (FFCRA) and provisions triggered by the COVID-19 National Emergency Declaration.

- The CARES Act includes a payroll tax credit for qualified wages paid by employers during a partial or full suspension or after significant downturn; the deferral of certain payroll and self-employment taxes; as well as enhanced employee retirement and benefit provisions.

- The FFCRA provides for two new payroll tax credits for paid leave for certain employers with less than 500 employees to offset mandatory paid FMLA and sick leave.

Read an **April 2020 report** [PDF 949 KB] (13 pages) prepared by KPMG LLP

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