

Ways and Means subcommittee schedules hearing on employee retention tax credit issues

The House Ways and Means Oversight Subcommittee announced this week that it will hold a hearing on July 27 at 2:00 p.m. to examine what the Republican majority has called “confusion, delays, and fraud” related to the now-expired employee retention tax credit (ERTC).

A witness list for the hearing was not available as of press time.

The ERTC was originally enacted in 2020 as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) to encourage certain businesses experiencing financial hardships because of the COVID-19 pandemic to keep their workers on the payroll. It initially applied to wages paid after March 12, 2020, and before January 1, 2021, but was expanded and extended in the Consolidated Appropriations Act, 2021 (P.L. 116-260) and again in the American Rescue Plan Act of 2021 (P.L. 117-2).

[URL: https://www.congress.gov/116/plaws/publ136/PLAW-116publ136.pdf](https://www.congress.gov/116/plaws/publ136/PLAW-116publ136.pdf)

[URL: https://www.congress.gov/bill/116th-congress/house-bill/133/text](https://www.congress.gov/bill/116th-congress/house-bill/133/text)

[URL: https://www.congress.gov/117/plaws/publ2/PLAW-117publ2.pdf](https://www.congress.gov/117/plaws/publ2/PLAW-117publ2.pdf)

House taxwriters on both sides of the aisle have raised concerns about a backlog of unprocessed ERTC claims at the IRS with Commissioner Daniel Werfel, who acknowledged at a hearing in April that these claims pose processing challenges for the agency because they span multiple years and present a high potential for fraud. (For prior coverage, see *Tax News & Views*, Vol. 24, No. 15, Apr. 28, 2023.)

[URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2023/TNV/230428_2.html](https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2023/TNV/230428_2.html)

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