

Employee Retention Tax Credit for Restaurants



RESTAURANTS

Government Restrictions lead to ERTC eligibility



“Clarus has been invaluable in helping us claim our tax credits during this difficult time. The process was so easy and the team was exceptional. Thanks to Clarus, the entire process of claiming the Employee Retention Tax Credit was simple and effortless.”

RESTAURANT OWNER IN OHIO

ERTC TIMELINE

\$250K

FIRST PPP LOAN

+

\$325K

SECOND PPP LOAN

+

\$200K

ERTC 2020

+

\$275K

ERTC 2021

=

\$1,050,000

CHALLENGE **Government restrictions lead to decline in profit margin**

A restaurant was initially subject to closure, then allowed to provide outdoor dining, followed by indoor dining with capacity restrictions. The owners maintained revenue levels near pre-pandemic numbers after adjusting their business model for greater reliance on food delivery.

PROBLEM **Confusion around eligibility and interaction with PPP and RRF**

As the COVID-19 crisis evolved, rule changes in the ERTC program and the required coordination with PPP loan forgiveness made it unclear whether the restaurant qualified for the ERTC, for what period of time they qualified, and whether claiming it would negatively impact their PPP loan forgiveness.

SOLUTION **Clarus identifies eligibility due to the COVID-19 impact**

After talking with the tax experts at Clarus R+D, the restaurant discovered they were eligible for the ERTC and could optimize the credit with the PPP loan. In total, the restaurant claimed \$575K in PPP loans and \$475K in ERTC through the second quarter of 2021.