

# Employee Retention Tax Credit for Fitness Centers

HEALTH AND WELLNESS GYMS

## Decline in Revenue and Government Shutdown leads 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."

GYM OWNER IN OHIO

**\$400K**  
PPP LOANS

+

**\$100K**  
ERTC 2020

+

**\$140K**  
ERTC 2021

=

**\$640K**

ERTC TIMELINE

### CHALLENGE **Lost Revenue due to Government Shutdown**

A private health and wellness gym was negatively impacted by COVID-19. Due to government mandated shutdowns and a decline in revenue, the gym qualified for the Employee Retention Tax Credit (ERTC).

### PROBLEM **Confusion around eligibility and PPP loan forgiveness**

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 gym 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 Impact of COVID-19**

After talking with the tax experts at Clarus, the gym discovered they were eligible for the ERTC. In total, the gym claimed \$400K in PPP loans and \$240K in ERTC for the 2nd and 3rd quarters of 2020 and the 1st Quarter of 2021.