

ERTC Red Flags

Have you been told you are due an Employee Retention Tax Credit (ERTC)? Does it seem too good to be true? Be aware that it just might be!

The IRS is still pushing hard on fraudulent ERTC claims, and is providing until March 22 for Organizations to enter into the voluntary disclosure program to file an error in the amount of an ERTC they previously claimed. The IRS has also release some red flags to keep in mind when reviewing such claims regarding ERTC. Included in these red flags are some common issues:

- Consultant saying there is nothing to lose
- Listing a supply chain issue as the need for the credit
- Too many quarters being claimed

The Journal of Accountancy released an article which provides greater detail of these flags noted above, as well as some additional red flags. Check it out here -

<https://www.journalofaccountancy.com/news/2024/feb/7-warning-signs-that-an-erc-claim-is-questionable-from-irs.html>

Beneficial ownership information (BOI) reporting requirements

Previously, the Financial Crimes Enforcement Network (FinCEN) issued new guidance with regards to BOI under the Corporate Transparency Act (CTA), which was slated to begin in January 2024; however, there has been significant concern over whether this

new reporting requirement is constitutional or not. As such, this new requirement is being suspended for at least one year while this determination can be made.

For a summary of this, check out this article - <https://www.journalofaccountancy.com/news/2024/apr/aicpa-boi-ruling-confuses-businesses-enforcement-should-be-delayed.html>

Energy Rebate Tax Treatment

Did you receive a rebate for certain home energy efficient updates or purchases? You may not need to include these amounts in your taxable income based on a recent announcement made by the IRS (Announcement 2024-19).

Per an article by the Journal of Accountancy, "rebates paid at the time of sale under two home energy rebate programs created in the Inflation Reduction Act are not includible in individual purchasers' gross income or cost basis, the IRS said Friday in Announcement 2024-19. The announcement also includes coordination rules for taxpayers who want to claim a federal tax credit for those amounts under Sec. 25C."

For the full summary created by the JOA, check out this article -

<https://www.journalofaccountancy.com/news/2024/apr/two-home-energy-rebates-not-includible-in-gross-income-irs-says.html>

The New CPA Exam is Here!

The time has come! The new CPA exam is ready. What is new? The CPA exam in 2024 eliminates the BEC section and introduces a new discipline.

Candidates can choose one of the following disciplines:

- Business analysis and reporting (BAR), which expands on FAR and governmental accounting
- Information systems and controls (ISC), which focuses on IT audit and security
- Tax compliance and planning (TCP), which focuses on tax in greater detail

The other three sections of the test – AUD, FAR and REG – remain largely the same, with some portions of the prior BEC exam being moved into FAR and REG. There will no longer be a written essay piece.

Each section will provide for a total allowable four hours, for a total possible exam time of 16 hours.

For more details on these changes check out this article - [https://www.forbes.com/advisor/education/cpa-exam-guide/#:~:text=The%202024%20CPA%20exam%20introduces,Tax%20compliance%20and%20planning%20\(TCP\)](https://www.forbes.com/advisor/education/cpa-exam-guide/#:~:text=The%202024%20CPA%20exam%20introduces,Tax%20compliance%20and%20planning%20(TCP))

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