



Payroll Insights

Employment tax news to guide you now and for the future

April 2021

KPMG report: Notice 2021-23 and employee retention credit for first two calendar quarters of 2021

The IRS on April 2, 2021, released an advance version of Notice 2021-23 as guidance on the employee retention credit for the first two calendar quarters of 2021.

KPMG first released details of the Notice in the [TaxNewsFlash](#) and then provided analysis of the guidance in an [April 2021 Report](#).

Notice 2021-24: Penalty relief, reduced federal employment tax deposits in anticipation of tax credits

The IRS released an advance version of Notice 2021-24 to amplify prior penalty relief regarding the deposits of federal employment taxes in anticipation of tax credits under legislation enacted to address the coronavirus (COVID-19) pandemic.

More details may be found in the KPMG [TaxNewsFlash](#).

Notice 2021-25: Temporary 100% deduction for certain business meal expenses

The IRS released an advance version of Notice 2021-25 as guidance regarding the temporary 100% deduction for expenses that are paid or incurred after December 31, 2020, and before January 1, 2023, for food or beverages provided by a restaurant.

KPMG provides details in the [TaxNewsFlash](#).

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

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DRAFT Form 7200, Advanced Payment of Employer Credits Due to COVID-19

- If approved, taxpayers should begin using this form, beginning 2nd quarter 2021. The new form will add two additional lines in Part 1 and one line in Part 2 to address COBRA premium assistance.
- Once Form 7200 is updated, taxpayers should review the 2nd quarter Form 941, *Employer's Quarterly Federal Tax Return* to ensure no changes are needed prior to filing.
- Currently, only small employers may file Form 7200. However, instructions for the draft version have not been released.

Global Reward Services (GRS) Newsletter

The GRS quarterly newsletter reviews Canada's updates to the Tax Treatment of Employment Stock options, the United States' recent compensation and benefits-related provisions in the COVID-19 Relief Bill, China's potential changes to IIT Preferential Treatment, and more news and insights from around the world. The full newsletter can be found [HERE](#).

Upcoming events

Check out all of KPMG's upcoming Webcast and [CPE events](#).