



TaxNewsFlash

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IRS announces new process for third-party payers to resolve incorrect employee retention credit claims

The IRS today announced that it is opening a [supplemental claim process](#) to help third-party payers and their clients resolve incorrect claims for the employee retention credit (ERC) filed before January 31, 2024, if those claims have not already been processed by the IRS.

As explained in the IRS release—[IR-2024-246](#) (September 26, 2024)—third-party payers report and pay clients' federal employment taxes under the third-party payer's employer identification number and generally handle clients' payroll and tax reporting duties. Some third-party payers filed ERC claims for multiple employers. If a third-party payer's client has since determined it is ineligible for the ERC and wants to resolve their claim, it is the third-party payer that needs to correct it.

This supplemental claim process lets a third-party payer that filed a prior claim with multiple clients "withdraw" only some clients while maintaining the claims of the qualifying clients. Third-party payers must submit a supplemental claim by November 22, 2024.

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