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Statement on IRS guidance regarding Employee Retention Tax Credit repeal

In response to the Internal Revenue Service (IRS) publication of [Notice 2021-65](#), guidance to employers on dealing with the retroactive repeal of the Employee Retention Tax Credit (ERTC) for the fourth quarter of 2021 via the bipartisan infrastructure law enacted on November 15, National Council of Nonprofits Vice President of Public Policy David L. Thompson released the following statement:

“This guidance may be as good as the IRS thought it could provide under the law, but it is not good enough. Not for the thousands of employers that were hiring workers relying on this important tax incentive, and certainly not for the tens of thousands of workers who may lose their jobs because of the repeal of the employment tax credit. [Notice 2021-65](#) provides very narrow accounting relief for charitable nonprofit employers suffering major staffing challenges because they cannot raise prices or reimbursement rates needed to increase salaries. The ERTC was a lifeline for nonprofit employers and employees; it must be restored and extended.”

The charitable nonprofit community is [calling on Congress to restore, extend, and improve the Employee Retention Tax Credit](#) so charitable organizations can retain

and attract staff to provide vital community-based services while COVID-19 continues to upend lives throughout the country.