

EMPLOYMENT ALERT

EMPLOYMENT ALERT – UPDATE REGARDING SB 1447

We recently provided an Alert regarding the passage of Senate Bill 1447, which will allow qualified California small business to apply for a tax credit of \$1000 for each new hire during a specified period in 2020 (the Alert is reprinted below).

Update: the bill requires a qualified small business employer to submit a completed application to the California Department of Tax and Fee Administration for a tentative credit reservation by **January 15, 2021**.

Senate Bill 1447

SB 1447 went into effect immediately and authorizes the \$100 million Main Street Hiring Tax Credit. This tax credit allows businesses with 100 or fewer employees as of December 31, 2019 to receive a \$1,000 tax credit for each qualified employee hired between July and November 2020, up to a maximum of \$100,000 per business. In order to help ensure that these tax credits are being used only by small businesses directly impacted by COVID-19, eligible businesses must have also experienced a minimum 50% decrease in gross receipts during April through June 2020 as compared to the prior year. Businesses will have five years to claim the credit and can apply it to any taxes owed, including sales and use taxes.

Please feel free to reach out to us with any questions or to discuss how this update may impact you or your business.



Author

[Horace W. Green](#)
T 925.944.9700
hgreen@brothersmithlaw.com



Author

[Bart W. Springel](#)
T 925.944.9700
bspringel@brothersmithlaw.com

BROTHERS SMITH LLP provides its clients, professional advisors and its friends with up-to-date reports on recent developments in business, real estate, employment, estate planning and taxation.

CIRCULAR 230 DISCLOSURE – Pursuant to rules and regulations imposed by the Internal Revenue Service, any tax advice contained in this communication, including any attachments, is not intended or written to be used, and cannot be used, for the purpose of (1) avoiding tax penalties under the Internal Revenue Code or (2) promoting, marketing or recommending to another person any transaction or matter addressed herein.

The summary which appears above is reprinted for information purposes only. It is not intended to be and should not be considered legal advice nor substitute for obtaining legal advice from competent, independent, legal counsel. If you would like to discuss these matters in more detail, please feel free to contact us so that we can provide the clarification and resources you need to make effective decisions.



2033 North Main Street, Suite 720
Walnut Creek, California 94596
T 925.944.9700 F 925.944.9701

www.brothersmithlaw.com

