



# TaxNewsFlash

United States



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## Regulations: Recapture of excess employment tax credits under the "American Rescue Plan Act" (COVID-19)

The U.S. Treasury Department and IRS this afternoon released for publication in the Federal Register temporary regulations (T.D. 9953) and, by cross-reference, proposed regulations (REG-109077-21) under sections 3131, 3132, and 3134 of the Code, added by sections 9641 and 9651 of the "American Rescue Plan Act of 2021" (Pub. L. No. 117-2, enacted March 11, 2021).

- The [temporary regulations](#) [PDF 287 KB] (as published in the Federal Register on September 10, 2021) authorize the assessment of any erroneous refund of the tax credits paid under sections 3131, 3132 (including any increases in those credits under section 3133), and 3134.
- The [proposed regulations](#) [PDF 239 KB] (as published in the Federal Register on September 10, 2021) affect businesses and tax-exempt organizations, as well as certain governmental entities, that claim the paid sick leave credit and the paid family leave credit under sections 3131 and 3132, respectively, and that claim the employee retention credit under section 3134. The text of the temporary regulations serves as the text of these proposed regulations.

The purpose of this report is to provide text of the regulations.

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