



TaxNewsFlash

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Announcement 2024-3: New voluntary disclosure program for employee retention credit

The IRS announced a new voluntary disclosure program for taxpayers to resolve refunds or credits for questionable employee retention credit (ERC) claims.

[Announcement 2024-3](#) [PDF 88 KB] explains taxpayer eligibility criteria, terms, and procedures for taxpayers electing to participate in the voluntary disclosure program.

According to a related IRS release—[IR-2023-247](#):

- Provided taxpayers meet the conditions to apply (not under employment tax examination, etc.) and wish to avail themselves of the relief provided, such taxpayers must apply to the ERC voluntary disclosure program by March 22, 2024.
- Those taxpayers that the IRS accepts into the program will need to repay only 80% of the credit they received.
- If the IRS paid interest on the taxpayer's ERC refund claim, the taxpayer need not repay that interest.
- The IRS will not charge program participants interest or penalties on any credits taxpayers repay.
- If the taxpayer is unable to pay the amount in full, they may enter into an installment agreement with the IRS to pay over time, but penalties and interest generally apply in that scenario. As a result, taxpayers entering the program may want to consider obtaining a loan from a financial institution rather than entering into installment payments with the IRS.

The new disclosure program, which has been in the works for several months, is part of a larger effort at the IRS to address aggressive marketing and claims related to the ERC.

The IRS also continues to urge taxpayers with pending ERC claims to consider a separate withdrawal program that allows them to remove a pending ERC claim with no interest or penalty. Read [TaxNewsFlash](#)

As these special initiatives for ERC continue, the IRS will provide an update in the new year on the status of the moratorium. Read [TaxNewsFlash](#)

Additionally, the IRS mailed out 20,000 denial letters to ERC claimants earlier this month in clearly fraudulent instances where the taxpayer did not exist and/or have employees during the relevant period. Read [TaxNewsFlash](#)

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