



TaxNewsFlash

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Proposed regulations: Recapture of interest on erroneous refunds of COVID-19 relief employment tax credits

The U.S. Treasury Department and IRS today released [proposed regulations](#) (REG-109032-23) providing that the IRS will assess as an underpayment of tax any overpayment interest paid to a taxpayer on an erroneous refund of the employment tax credits (ETCs) provided in connection with coronavirus (COVID-19) relief under the Families First Coronavirus Response Act, the Coronavirus Aid, Relief, and Economic Security Act, and the American Rescue Plan Act of 2021.

The proposed regulations are proposed to apply to all interest amounts paid under section 6611 on or after the date the proposed regulations are published in the Federal Register (which is scheduled to be July 2, 2024) for any erroneous refund of COVID-19-related ETCs.

Comments and requests for a public hearing on the proposed regulations are due by the date that is 45 days after the date the proposed regulations are published in the Federal Register, which again is scheduled to be July 2, 2024.

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