



Financially Speaking...

by Michael L Nickerson, CPA, MSFP

**NICKERSON PROFESSIONAL ASSOCIATION
CERTIFIED PUBLIC ACCOUNTANTS**

CREDITS AND DEDUCTIONS FOR BUSINESSES — PART III

General business credits: The general business credit includes about two dozen tax credits for a variety of businesses and business activities. Often, a taxpayer who qualifies for one or more of these credits but is unable to use them for a given tax year can carry them back to a prior year or forward to future years. See Form 3800 and its instructions for details.

Employer credit for paid family and medical leave: TCJA added this new general business credit that qualified employers may claim based on wages paid to qualifying employees on family and medical leave. To claim the credit, eligible employers must have a written policy in place that meets certain requirements, including providing at least 2 weeks of paid leave to full-time employees (prorated for employees who work part time) and the paid leave must be at least 50 percent of the wages normally paid to the employee. For tax year 2018, the employee's prior year compensation from the employer must have been \$72,000 or less. See Notice 2018-71 and instructions for Form 8994 for details.

Tax credits can help employers hiring new workers. With many businesses now facing a tight job market, there is another general business credit that may help. The long-standing Work Opportunity Tax Credit (WOTC) is designed to help employers who hire long-term unemployment recipients, certain veterans, recipients of certain kinds of public assistance and other categories of workers with employment barriers. Certification requirements and other special rules apply. To find out more, visit [IRS.gov/WOTC](https://www.irs.gov/WOTC).

**Presented as a service by Nickerson Professional Association
Lincolnvile Ave., P.O. Box 211, Belfast, ME 04915
(207) 338-2770 • www.nickersonpa.com**