

May 2021

President Biden Announces Tax Credit for Small Businesses Offering Paid Leave for Vaccination

Recently, President Joe Biden [issued a call](#) for employers to take additional steps to help get their employees and communities vaccinated against COVID-19.

As part of that effort, President Biden announced a paid leave tax credit for small and medium-sized businesses. This credit will allow eligible employers to fully offset the cost of paid leave for employees to get vaccinated and recover from any after-effects of the vaccination.

An eligible employer is any business, including a tax-exempt organization, with fewer than 500 employees. An eligible employer also includes a governmental employer, other than the federal government and any agency or instrumentality of the federal government that is not an organization described in section 501(c)(1) of the Internal Revenue Code. Self-employed individuals are eligible for similar tax credits. The credit will offset the cost of paid leave for each employee for up to two weeks (or 80 work hours) and up to \$511 per day of paid leave offered between April 1 and Sep. 30, 2021.

The credit will be funded by the recently passed American Rescue Plan Act. According to the White House, this tax credit will apply to nearly half of all private sector employees in America.

Employer Action

Employers should review how this tax credit may impact their organization. To learn more about eligibility for this tax credit, and how to claim the paid leave credit on quarterly tax filings, employers can review [this fact sheet](#) from the Internal Revenue Service.

Additionally, the White House has asked employers to share how they are taking steps to get their employees and communities vaccinated. If interested, employers can access this form [here](#).

Bolton will keep you updated on any noteworthy developments.