

The Consolidated Appropriations Act, 2021, was signed into law on December 27, 2020. Major bullet points are listed below.

	Old CARES Act	New CARES Act
Time Period Credit is Available	Qualified wages paid after March 12, 2020, and before January 1, 2021.	Qualified wages paid after March 12, 2020, and before July 1, 2021 (now available in the first two quarters of 2021).
Eligibility	<p>Businesses with operations that were either fully or partially suspended by a COVID-19 governmental order and only during the period the order is in force; or</p> <p>Gross receipts were less than 50% of gross receipts for the same quarter in 2019 until such quarter as gross receipts are 80% of same quarter in 2019.</p> <p>Businesses that were not in existence in 2019 could use a comparison to 2020 for purposes of the credit.</p>	<p>Beginning January 1, 2021, the credit will be available to businesses with operations that are either fully or partially suspended by a COVID-19 governmental order and only during the period the order is in force; or</p> <p>Gross receipts are less than 80% of gross receipts for the same quarter in 2019.</p> <p>Businesses that were not in existence in 2019 may use a comparison to 2020 for purposes of the credit.</p>
Percentage of Wages	The credit was 50% of the qualified wages paid to an employee, plus the cost to continue providing health benefits to the employee.	Beginning January 1, 2021, the credit is 70% of qualified wages, plus the cost to continue providing health benefits to the employee.
Maximum Credit Amount	Annual cap of \$5,000 per employee (\$10,000 in qualified wages × 50%).	<p>Beginning January 1, 2021, the cap is increased to \$7,000 per employee for each of the first two quarters of 2021 (\$10,000 in qualified wages × 70%) for a possible \$14,000 credit per employee.</p> <p>The 2021 credit is available even if the employer received the \$5,000 maximum credit for wages paid to such employee in 2020.</p>
Employer Size	<p>A company with more than 100 employees could not take the credit for wages paid to an employee performing services for the employer (either teleworking, or working at the workplace, even though at reduced capacity due to reduction in business).</p> <p>A company with 100 or fewer employees was eligible for the credit, even if the employee was working.</p>	<p>Beginning January 1, 2021, the threshold increases to 500.</p> <p>An employer with 500 or fewer employees will be eligible for the credit, even if employees are working.</p> <p>When calculating the 500-employee threshold, the employees of all affiliated companies sharing more the 50% common ownership are aggregated.</p>

USA Payroll is tracking eligible wages in 2021 for those clients who qualify for the tax credits under the Consolidated Appropriations Act.