



# H.R. 3223: IMPROVING THE PAYROLL TAX CREDIT PROCESS FOR SMALL BUSINESSES

## ABOUT THE BILL

This legislation instructs the IRS to release the approved payroll tax credits contained on an amended PEO return that are not being audited.

The bill also draws clear lines of liability for payroll tax claims between a PEO and its customers.

*A PEO would be liable for the following when filing a payroll tax credit for its small business customer:*

1

Properly reporting payroll taxes to their customers and filing an amended tax return with the payroll tax credit.

2

Providing information requested by the IRS on an audited payroll tax credit.

3

Any criminal or fraudulent activity a PEO knowingly participates in regarding payroll tax credits.

The small business customer of a PEO would be liable for the remaining information contained in their payroll tax credit claim, as the small business is the only entity with access to and knowledge of this information.

## BENEFITS OF H.R. 3223

H.R. 3223 will **speed up the payroll tax credit process** for the small businesses we serve and clarify liability for improper claims.

This bill will save the government billions of dollars by **detering tax fraud** and **discouraging false filings**.

It will also ensure that future tax credits will go to the businesses they were intended to help. Without H.R. 3223, thousands of small businesses will face financial hardship while the IRS needlessly holds up money they are lawfully entitled to.

H.R. 3223 will enable PEOs **to better serve the American businesses** that are the backbone of the U.S. economy by sensibly resolving ongoing challenges PEOs have with payroll tax credit processing.