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## IRS Rolls Out Online Power of Attorney Forms

The IRS [announced](#) that it has rolled out a new [online option](#) for submitting Forms 2848, Power of Attorney and Declaration of Representatives, and 8821, Tax Information Authorization, online. These two forms allow taxpayers to authorize the IRS to disclose their tax information to third parties, such as tax professionals. The taxpayer and the tax professional must sign Form 2848. If the tax professional uses the new online option, the signatures on the forms can be handwritten or electronic. Form 8821 needs only the taxpayer's signature. If using the new online option, the taxpayer's signature can be handwritten or electronic. The process to mail or fax authorization forms to the IRS is still available. Signatures on mailed or faxed forms must be handwritten. Electronic signatures are not allowed.

## IRS Releases Guidance to PPP Borrowers Regarding Claiming the Employee Retention Credit

The IRS released [guidance](#) to employers who received a Small Business Interruption Loan under the Paycheck Protection Program (PPP). Under Section 206(c) of the Taxpayer Certainty and Disaster Tax Relief Act of 2020 (TCDTR), part of the Consolidated Appropriations Act, 2021, an employer that is eligible for the employee retention credit (ERC) can claim the ERC even if the employer has received a PPP loan. If the employer received a PPP loan and included wages paid in the second and/or third quarter of 2020 as payroll costs in support of an application to obtain forgiveness of the loan (rather than claiming the ERC for those wages), and the request for forgiveness was denied, the employer can claim the ERC related to those qualified wages on the fourth quarter 2020 Form 941, Employer's Quarterly Federal Tax Return. (See our prior discussion on the ERC [here](#).) Such an employer can also report on the fourth quarter Form 941 any ERC attributable to health expenses that are qualified wages that weren't included on the second and/or third quarter Form 941. However, the IRS recognized that this may be difficult given the time constraints for timely filing the fourth quarter Form 941 and stated that employers can still use the regular process of filing an adjusted return or claim for refund for the appropriate quarter to which the additional ERC relates using Form 941-X.

## IRS Issues Employer Credit for Paid Family and Medical Leave Form

The IRS released a January 2021 version of [Form 8994](#), Employer Credit for Paid Family and Medical Leave. Under the TCDTR, the employer tax credit for paid family and medical leave, as created by the 2017 Tax Cuts and Jobs Act, was extended through 2025 for wages paid in tax years beginning after Dec. 31, 2020. (See our prior coverage [here](#).)

## FinCEN to Make Foreign Accounts Holding Virtual Currency Reportable

In [Notice 2020-2](#), the Financial Crimes Enforcement Network (FinCEN) stated that it intends to propose to amend the regulations implementing the Bank Secrecy Act (BSA) regarding reports of foreign financial accounts to include virtual currency as a type of reportable account under 31 CFR 1010.350. Generally, a U.S. person who has a financial interest in or signature or other authority over any foreign financial accounts must file a Report of Foreign Bank and Financial Accounts (FBAR). The FBAR is required if the aggregate value of those foreign financial accounts exceeded \$10,000 at any time during the calendar year being reported. Currently, such foreign accounts are not a type of reportable account if they only hold virtual currency.

## Philadelphia DOR Address 2020 Wage Tax Refund Requests

The Philadelphia Department of Revenue (DOR) has [introduced](#) new forms to streamline the process for 2020 wage tax refund requests. In the past, only an employee could apply for a Wage Tax refund. For Tax Year 2020 only, because so many people were ordered to work from home, businesses can submit a refund request on behalf of a group of their non-resident employees. The DOR has a new employer-requested form, new online forms, and a streamlined paper form for income-based refunds.

## Chicago Releases Nexus Guidance

The City of Chicago released an [information bulletin](#) regarding its position on nexus with the city in regards to city-specific taxes and provided a safe harbor regarding such a determination. The bulletin notes that Illinois has provided similar nexus guidance, but that only applies to the state use tax. In performing its analysis for nexus for city taxes, the city will consider whether an out-of-state entity meets the thresholds that apply to the state use tax; however, that factor will not necessarily be treated as determinative unless the safe harbor in the bulletin applies. If the safe harbor does not apply, other factors that the city may consider include:

- Agreements that the entity has with other businesses in Chicago;



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- Activities that the entity's employees or other agents perform on the entity's behalf in Chicago; any physical presence that the entity has in Chicago;
- Advertising directed at Chicago customers; and
- Any other facts that support or oppose the conclusion that the entity has purposefully availed itself of the privilege of carrying on business in Chicago.