



# BEACON HILL

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## ***Course Information***

### **Course Title:**

*Employee Retention Credit (ERC) and Pass-Through Entity (PTE) Tax Disclosures  
# 313924*

### **Recommended number of continuing education credit hours for this course:**

In accordance with the standards of the National Registry of CPE Sponsors, CPE credits have been granted based on a 50-minute hour.

**CPA: 2** (accepted in all states)

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration:

Florida Division of Certified Public Accountancy: 0004761 (Ethics #0011467)

Hawaii Board of Public Accountancy: 14003

New York State Board of Accountancy (for ethics): 002146

Ohio State Board of Accountancy: CPE .51PSR

Pennsylvania Board of Accountancy: PX178025

Texas State Board of Accountancy: 009349

### **Course Description**

The objective of this course is to review the accounting and financial disclosures related to two recent changes from legislation: the Employee Retention Credit (ERC) and the Pass-Through Entity (PTE) Tax.

Topics include: An overview of the ERC rules; models to use to account for the ERC; comparing use of the ASC 958 model with the IAS 20 model to account for the ERC; disclosures required for the ERC including disclosures found in newly issued ASU 2021-10; fixing 2021 ERC presentation and disclosure errors; presenting the ERC on tax-basis financial statements; overview of the Pass-Through Entity (PTE) Tax election; GAAP accounting for the PTE tax; GAAP disclosures for the PTE tax; presenting the PTE tax on tax-basis financial statements, dealing with ERC withdrawals and filings in 2023 and 2024, and more.

### **Course Content**

Course publication/revision date: 4/15/2024

Author: Steven C. Fustolo, CPA, MBA.

Final Exam (online): ten multiple-choice questions

**Program Delivery Method:** QAS Self-Study (interactive)

**Subject Codes/Field of Study:** Accounting

### **Course Level, Prerequisites, and Advance Preparation Requirements**

Level of knowledge: Overview

Prerequisite: General understanding of accounting, financial reporting, auditing and compilation and review standards

Advance Preparation: None

## **Learning Objectives**

After reading the course material, you will be able to:

- Recognize the type of expense that is the basis for measuring the amount of the ERC.
- Identify where to present the ERC in the statement of income using the ASC 958 conditional contribution model.
- Recognize where to present the ERC in the statement of income using the IAS 20 grant model.
- Recognize the proper presentation of the ERC in a tax-basis statement of income.
- Identify how to account for an ERC filing in 2023.
- Recognize a technique that has been attempted to circumvent the SALT deduction limitation.
- Identify how to account for the PTE tax in an entity's financial statements.
- Recognize the requirements for recording deferred state income taxes with respect to the PTE tax election.
- Identify disclosures that should be made for the PTE tax.

### **Instructions for Taking This Course**

- **Log in to your secure account at [www.bhfe.com](http://www.bhfe.com). Go to "My Account."**
- **You must complete this course within one year** of purchase (If the course is "Expired," contact us and we will add the latest edition of the course to your account (no charge).
- **To retain the course-PDF after completion (for future reference) and to enable enhanced navigation:** From "My Account," Download and save the course-PDF to your computer. This will enable the search function (Menu: Edit>Find) and bookmarks (icon on left side of document window).
- **Complete the course by** following the learning objectives listed for the course, studying the text, and, if included, studying the review questions at the end of each major section (or at the end of the course).
- **Once you have completed studying the course** and you are confident that the learning objectives have been met, answer the final exam questions (online).

### **Instructions for Taking the Online Exam**

- **Log in to your secure account at [www.bhfe.com](http://www.bhfe.com). Go to "My Account."**
- A passing grade of at least **70%** is required on the exam for this course.
- You will have three attempts to pass the exam (call or email us after three unsuccessful attempts for instructions).
- The exam is not timed, and it does not need to be completed in one session.
- For a printed copy of the exam questions, open the exam and press "Print Exam."
- Once you pass the exam, the results (correct/incorrect answers) and certificate of completion appear in "My Account." A confirmation email is also sent.
- CFP Board and IRS credit hours, if applicable, are reported on Tuesdays and at the end of the month.

**Have a question?** Call us at 800-588-7039 or email us at [contact@bhfe.com](mailto:contact@bhfe.com).

## ABOUT THE AUTHOR

### STEVEN C. FUSTOLO, CPA

Mr. Fustolo is a partner with the Boston CPA firm of James J. Fox & Company. He is a frequent lecturer and author of numerous tax and accounting issues affecting closely held businesses. An AICPA author, Mr. Fustolo's articles have been featured in *The Practical Accountant* and other publications. He is the author of numerous books and publications including: *Practice Issues: Compilation and Review*, *Accounting and Auditing Reference Guide*, *Everything You Never Wanted to Know About GAAP*, *Enron: Fraud, Deception and the Aftermath*, *FASB Review for Industry*, *Current Developments: Accounting and Financial Reporting*, *Making Money with Special Engagements*, *Understanding the Variable Interest Entity Rules*, *FASB, SSARS and SAS Update and Review*, *Tax Basis Accrual Financial Statements*, *Accounting for the New Lease Standard*, and numerous other books and manuals that have been published by Practitioners Publishing Company (PPC) and Commerce Clearing House (CCH.) Mr. Fustolo's recent best-selling courses entitled *The Impact of the Tax Cuts and Jobs Act on GAAP and Financial Reporting*, *Implementing the New Revenue Standard (ASC 606)- Guidance for Private Companies*, and *Accounting and Financial Reporting for COVID-19 and the CARES Act*, have received accolades from the financial media. Mr. Fustolo is the recipient of several Outstanding Discussion Leader awards from many professional organizations including the New York and Florida Societies of CPAs. Mr. Fustolo's course entitled *FASB, SSARS and SAS Update and Review* continues to be regarded as one of the top live CPE programs in the country today with ratings that average 4.91 on a scale of 5.0. He speaks regularly for professional groups including being a guest lecturer at the AICPA Advanced Accounting and Auditing Technical Symposium. Mr. Fustolo is the recipient of the Elijah Watts Sells Award (AICPA) and Silver Medal (Massachusetts) for scores received on the CPA Examination.

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that the author and sponsor are not engaged in rendering legal, accounting, or other professional services. If legal advice or other expert assistance is required, the services of a competent professional person should be sought- *From a Declaration of Principles jointly adopted by a Committee of the American Bar Association and a Committee of Publishers and Associations.*

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**Accounting and Financial Disclosures for the Employee Retention Credit (ERC)  
and the Pass-Through Entity (PTE) Tax-2024 Edition  
2 CPEs**

**Table of Contents**

I. Introduction.....	7
II. Accounting -Financial Disclosures for the Employee Retention Credit (ERC) .....	8
A. Overview.....	8
B. GAAP Accounting for the ERC .....	12
C. OPTION 1: ASC 958-605- Not-for-Profit Entities: Revenue Recognition.....	14
D. OPTION 2: IAS 20, Accounting for Government Grants and Disclosure of Government Assistance .....	17
E. Disclosures for the ERC .....	23
F. Tax-Basis Financial Statements and the ERC .....	27
G. Filing for the ERC in 2023 or 2024 Prior to April 2025 ERC Deadline .....	29
H. Accounting for Dubious ERC Claims- IRS Withdrawal Program .....	34
REVIEW QUESTIONS .....	37
SUGGESTED SOLUTIONS.....	39
III. Accounting - Financial Disclosures for the Pass-Through Entity (PTE) Tax.....	41
A. Overview.....	41
B. Use of the Pass-Through Entity (PTE) Tax Election.....	43
C. GAAP Accounting and Disclosures- PTE Tax.....	47
D. GAAP Accounting Rules for the PTE Tax.....	48
E. GAAP Disclosures for the PTE Tax.....	49
F. PTE Tax and Tax-Basis Financial Statements.....	54
REVIEW QUESTIONS .....	57
SUGGESTED SOLUTIONS.....	58
Index .....	60
Glossary .....	61