



GLO Report – June 2021

Internal Revenue Service:

Important changes to the Child Tax Credit will help many families get advance payments of the credit starting this summer. The IRS will pay half the total credit amount in advance monthly payments beginning July 15. You will claim the other half when you file your 2021 income tax return. These changes apply to tax year 2021 only. An IRS tool lets families who don't file taxes provide information about themselves, their children, and their bank so they IRS may issue their advance Child Tax Credit payments scheduled to begin July 15.

See: <https://www.irs.gov/childtaxcredit2021>

Updated instructions for 941

Updated draft instructions for the revised Form 941, Employer's Quarterly Federal Tax Return, for use in the second through fourth quarters of 2021 were released June 16 by the Internal Revenue Service. Eight new lines were added to the instructions' Worksheet 3, which is to be used to calculate refundable and nonrefundable portions of the credits for qualified sick and family leave wages for leave taken April 1, 2021, or later.

The worksheet's new lines 2a(i) to 2a(iv) and lines 2g(i) to 2g(iv) take into account qualified leave wages generally excluded from the definition of employment under Internal Revenue Code sections 3121(b)(1)-(22) and qualified leave wages included on Form 941's line 23 that were not included as wages reported on line 5a.

The IRS expects to issue guidance later this year about the employee retention credit provided under the American Rescue Plan Act for wages paid after in the third and fourth quarters of 2021, the updated instructions said. The new guidance is to be posted at [IRS.gov/ERC](https://www.irs.gov/ERC).

Department of Labor:

The Biden administration canceled a signature Trump-era rule that would've eased businesses' ability to legally consider workers as independent contractors, a rollback the U.S. Labor Department said was necessary to broadly extend wage protections while cracking down on employer abuses.

A [final rule](#), issued Wednesday, rescinded the regulation that would've helped preserve the workforce model of gig-economy companies such as Uber Technologies Inc. and Instacart. The Biden agency hasn't replaced it with a new interpretation of when workers can function as independent contractors, but the administration's top wage regulator made clear the DOL will be targeting companies for failing to treat workers as employees who are afforded minimum wage and overtime protections.

USICE / Department of Homeland Security:

Federal News:

On June 17, the U.S. Supreme Court, in a 7-2 decision, dismissed a challenge to the Affordable Care Act's (ACA) constitutionality by finding that the states and other plaintiffs in the case lacked standing to challenge the law.

State News:

Vermont Updates Remote Worker Guidance

Updates to Vermont's Covid-19 guidance for remote workers include a 30-day limit before employers are required to withhold for employees working in Vermont, the state tax department said June 21.

Louisiana Governor Signs Mobile Workforce Bill

Nonresidents can work in Louisiana for up to 25 days in a year starting in 2022 without becoming subject to income tax under a bill signed June 16 by Gov. John Bel Edwards (D).

Oregon's Updated Covid-19 Worker Protection Rule Takes Effect

The new rule largely mirrors the state's temporary standard. Employers that already have assessed the Covid-19 risks their workers face, developed an infection control plan, and conducted training to comply with the earlier measure don't need to repeat the efforts.

The rule creates new mandates for respiratory protection and direct patient care that took effect May 17. There are also new requirements for creation of a crisis management plan, and for ventilation, transportation, employee notification, and personal protective equipment supply; the effective date for those was June 6.

Oregon joins Virginia as the only states to enact a Covid-19 standard that will remain in place for the duration of the state public health emergency. California employers must comply with a temporary standard.

Local News:

Important June Deadlines: