



arvo

Employee Retention Tax Credit

Lost revenue due to COVID and fewer miles driven lead to ERTC eligibility for an auto repair shop

ERTC Breakdown

\$350K

PPP Loans

+

\$300K

ERTC

=

\$650K

total COVID related assistance

About Arvo

We help businesses across the United States grow their bottom lines by maximizing the Employee Retention Tax Credit (**ERTC**). With the combination of our tax experts, industry-leading support and superior tax credit technology, we've helped businesses claim millions in tax credits and more importantly, help their employees stay employed.

The Challenge

Lost Revenue due to COVID and fewer miles driven

The auto repair shop has historically had \$2M in gross revenue and services customers with between 12-15 employees. COVID impacted body shops in two significant ways, both of which cost them money: 1) Lost revenue as miles driven across the United States was significantly reduced, and 2) capacity restrictions and required sanitization procedures resulted in lost productivity.

The Problem

Confusion around eligibility

While the shop quickly applied for and received PPP funds there was significant confusion about whether the business was eligible for Employee Retention Tax Credits, and if so, how to optimize participation. After reviewing the published guidance speaking with their CPA the shop owner still was unclear about whether they were eligible and how to most effectively participate.

The Solution

Arvo identified and clearly documented eligibility

After speaking with the tax experts at Arvo the shop owner learned that they were not only eligible for ERTC as a result of a decline in gross receipts but the team also extended the period of eligibility by documenting how the impact of government orders during 2020 impacted the operation. This resulted in a \$300,000 tax credit the shop owner was able to turn into cash and reinvest in the business.

\$650K

total COVID related assistance