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## **PRESIDENT OF NATIONAL TAX FRANCHISE EXPRESSES SUPPORT FOR TODAY'S IRS ANNOUNCEMENT**

Padgett president calls move, "a positive step in mitigating the harm to small business owners created by ERC bad actors"

**Athens, GA** — Following today's announcement from IRS Commissioner Werfel regarding the Employee Retention Tax Credit (ERC), [Roger Harris](#), president of North American tax and accounting franchise Padgett Business Services, expressed his support for the move to place a moratorium on processing of ERC claims until at least the end of the year.

"While the credit began as a boon for businesses attempting to recover from the pandemic, the recent rise of bad actors fraudulently taking advantage of the system and average American small business owners presents a very real threat," Mr. Harris shared. He acknowledged that this pause might be frustrating to some who have legitimate claims that will be delayed. He feels that taking the time to address this fraud is essential though, and ultimately, that this delay is not the fault of the IRS but rather these 'ERC mills' gaming the system.

"Padgett's firms have already begun to see average business owners impacted by this fraud. They were misled by these mills to believe that they were entitled to ERC funds. Their preparer is now faced with the challenge of sharing the bad news that they did not qualify, and the business owner has lost thousands of dollars in fees paid to these ERC mills." Mr. Harris is optimistic that this pause will ensure that those who are entitled to ERC funds receive them without allowing these bad actors to continue to take advantage of the system. "It is unfortunate that there will be good people who will be impacted by this delay but necessary to counteract these fraudulent agencies. And, we're used to this! We go through security at the airport not because of our actions but because a few people impact the whole system. I'm encouraged that the IRS is taking time to find solutions and limit future harm."

In his [testimony](#) before the House Ways and Means Committee in July about the ERC, Mr. Harris was already well aware of these challenges surrounding the ERC for tax practitioners and taxpayers. He shared his concerns about the impact that this ERC fraud could have on businesses and that, "The service recognizes that ... we have to come up with some way of acknowledging the money that [business owners] didn't receive." Looking forward, Mr. Harris is

supportive of the service taking time to find solutions for repayment for the people who have already been harmed by the ERC mills. Padgett looks forward to that further announcement.

### **About Padgett**

At Padgett, our mission is simple: help business owners do more of what they love. With over 50 years of success, we pride ourselves on giving our network of tax and accounting firm owners across North America a path to firm growth and profitability while giving them hours back to focus on their health, build families and participate in their communities.

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