

Tax Alert: IRS Releases New Form 7202 for Self-Employed Individuals

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The IRS has released a new Form 7202, Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals. The form is available for eligible self-employed individuals to claim sick and family leave tax credits under the Families First Coronavirus Response Act (FFCRA) (P.L. 116-127). Eligible self-employed individuals can claim the tax credits on their 2020 Form 1040 for leave taken between April 1, 2020, and December 31, 2020, and on their 2021 Form 1040 for leave taken between January 1, 2021, and March 31, 2021.

To file Form 7202, eligible self-employed individuals must:

- conduct a trade or business that qualifies as self-employment income; and
- be eligible to receive qualified sick or family leave wages under the Emergency Paid Sick Leave Act as if the taxpayer was an employee.

Further, taxpayers must maintain appropriate documentation establishing their eligibility for the credits as an eligible self-employed individual.