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# Instructions for Form 5884-A

## (Rev. December 2017)



Department of the Treasury  
Internal Revenue Service

### Credits for Affected Disaster Area Employers (For Employers Affected by Hurricane Harvey, Irma, or Maria)

Section references are to the Internal Revenue Code unless otherwise noted.

#### Future Developments

For the latest information about developments related to Form 5884-A and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form5884A](http://IRS.gov/Form5884A).

## General Instructions

### Purpose of Form

Use Form 5884-A to claim the employee retention credit. The current year employee retention credit consists of the following 3 credits.

- Hurricane Harvey employee retention credit.
- Hurricane Irma employee retention credit.
- Hurricane Maria employee retention credit.

Partnerships, S corporations, cooperatives, estates, and trusts must file this form to claim the credit. All other taxpayers aren't required to complete or file this form if their only source for this credit is a partnership, S corporation, cooperative, estate, or trust. Instead, they can report this credit directly on Form 3800, General Business Credit.

### Hurricane Harvey Employee Retention Credit

An eligible employer who continued to pay or incur wages after the employer's business became inoperable because of damage from Hurricane Harvey may be able to claim a credit equal to 40% of up to \$6,000 of qualified wages paid to or incurred for each eligible employee.

**Eligible employer.** For this purpose, an eligible employer is an employer who conducted an active trade or business in the Hurricane Harvey disaster zone on August 23, 2017, and whose trade or business was inoperable on any day after August 23, 2017, and before January 1, 2018, because of damage sustained from Hurricane Harvey.

**Eligible employee.** For this purpose, an eligible employee is an employee of an eligible employer whose principal place of employment on August 23, 2017, with the employer, was in the Hurricane Harvey disaster zone.



*An employee isn't an eligible employee for any period during which the eligible employer is allowed a work opportunity credit for wages paid to or incurred for the employee.*

**Qualified wages.** For this purpose, qualified wages are wages you paid to or incurred for eligible employees on any day after August 23, 2017, and before January 1,

2018, during the period beginning on the date your trade or business first became inoperable at the employee's principal place of employment immediately before August 23, 2017, and ending on the date your trade or business resumed significant operations at that place. The amount of qualified wages that may be taken into account is limited to \$6,000 per employee. This includes wages paid or incurred whether the employee performs no services, performs services at a place of employment other than the principal place of employment, or performs services at the principal place of employment before significant operations have resumed.

Wages qualifying for the credit generally have the same meaning as wages subject to the Federal Unemployment Tax Act (FUTA). Qualified wages also include amounts you paid or incurred for medical or hospitalization expenses in connection with sickness or accident disability. Qualified wages don't include wages paid to or incurred for your dependent or wages paid to or incurred for an employee related to you.

For agricultural employees, if the work performed by any employee during more than half of any pay period qualifies under FUTA as agricultural labor, the first \$6,000 of that employee's wages subject to social security and Medicare taxes are qualified wages.

Qualified wages for any employee must be reduced by the amount of any work supplementation payment you received under the Social Security Act for the employee.

### Hurricane Harvey Disaster Zone

The following counties are in the Hurricane Harvey disaster zone.

**Texas.** Aransas, Austin, Bastrop, Bee, Brazoria, Caldwell, Calhoun, Chambers, Colorado, DeWitt, Fayette, Fort Bend, Galveston, Goliad, Gonzales, Grimes, Hardin, Harris, Jackson, Jasper, Jefferson, Karnes, Kleberg, Lavaca, Lee, Liberty, Matagorda, Montgomery, Newton, Nueces, Orange, Polk, Refugio, Sabine, San Jacinto, San Patricio, Tyler, Victoria, Walker, Waller, and Wharton.

### Hurricane Irma Employee Retention Credit

An eligible employer who continued to pay or incur wages after the employer's business became inoperable because of damage from Hurricane Irma may be able to claim a credit equal to 40% of up to \$6,000 of qualified wages paid to or incurred for each eligible employee.

**Eligible employer.** For this purpose, an eligible employer is an employer who conducted an active trade or business in the Hurricane Irma disaster zone on September 4, 2017, and whose trade or business was inoperable on any day after September 4, 2017, and

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before January 1, 2018, because of damage sustained from Hurricane Irma.

**Eligible employee.** For this purpose, an eligible employee is an employee of an eligible employer whose principal place of employment on September 4, 2017, with the employer, was in the Hurricane Irma disaster zone.



*An employee isn't an eligible employee for any period during which the eligible employer is allowed a work opportunity credit or Hurricane Harvey employee retention credit for wages paid to or incurred for the employee.*

**Qualified wages.** For this purpose, qualified wages are wages you paid to or incurred for eligible employees on any day after September 4, 2017, and before January 1, 2018, during the period beginning on the date your trade or business first became inoperable at the employee's principal place of employment immediately before September 4, 2017, and ending on the date your trade or business resumed significant operations at that place. The amount of qualified wages that may be taken into account is limited to \$6,000 per employee. This includes wages paid or incurred whether the employee performs no services, performs services at a place of employment other than the principal place of employment, or performs services at the principal place of employment before significant operations have resumed.

Wages qualifying for the credit generally have the same meaning as wages subject to the Federal Unemployment Tax Act (FUTA). Qualified wages also include amounts you paid or incurred for medical or hospitalization expenses in connection with sickness or accident disability. Qualified wages don't include wages paid to or incurred for your dependent or wages paid to or incurred for an employee related to you.

For agricultural employees, if the work performed by any employee during more than half of any pay period qualifies under FUTA as agricultural labor, the first \$6,000 of that employee's wages subject to social security and Medicare taxes are qualified wages.

Qualified wages for any employee must be reduced by the amount of any work supplementation payment you received under the Social Security Act for the employee.

### Hurricane Irma Disaster Zone

The following U.S. counties, municipalities, and islands are in the Hurricane Irma disaster zone.

**Florida.** Alachua, Baker, Bradford, Brevard, Broward, Charlotte, Citrus, Clay, Collier, Columbia, DeSoto, Dixie, Duval, Flagler, Gilchrist, Glades, Hardee, Hendry, Hernando, Highlands, Hillsborough, Indian River, Lafayette, Lake, Lee, Levy, Manatee, Marion, Martin, Miami-Dade, Monroe, Nassau, Okeechobee, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, Putnam, Sarasota, Seminole, St. Johns, St. Lucie, Sumter, Suwannee, Union, and Volusia.

**Georgia.** Camden, Charlton, Chatham, Coffee, Glynn, Liberty, and McIntosh.

**Puerto Rico.** Canovanas, Catano, Culebra, Dorado, Fajardo, Loiza, Luquillo, Toa Baja, Vega Baja, and Vieques.

**U.S. Virgin Islands.** St. John and St. Thomas.

### Hurricane Maria Employee Retention Credit

An eligible employer who continued to pay or incur wages after the employer's business became inoperable because of damage from Hurricane Maria may be able to claim a credit equal to 40% of up to \$6,000 of qualified wages paid to or incurred for each eligible employee.

**Eligible employer.** For this purpose, an eligible employer is an employer who conducted an active trade or business in the Hurricane Maria disaster zone on September 16, 2017, and whose trade or business was inoperable on any day after September 16, 2017, and before January 1, 2018, because of damage sustained from Hurricane Maria.

**Eligible employee.** For this purpose, an eligible employee is an employee of an eligible employer whose principal place of employment on September 16, 2017, with the employer, was in the Hurricane Maria disaster zone.



*An employee isn't an eligible employee for any period during which the eligible employer is allowed a work opportunity credit, Hurricane Harvey employee retention credit, or Hurricane Irma employee retention credit for wages paid to or incurred for the employee.*

**Qualified wages.** For this purpose, qualified wages are wages you paid to or incurred for eligible employees on any day after September 16, 2017, and before January 1, 2018, during the period beginning on the date your trade or business first became inoperable at the employee's principal place of employment immediately before September 16, 2017, and ending on the date your trade or business resumed significant operations at that place. The amount of qualified wages that may be taken into account is limited to \$6,000 per employee. This includes wages paid or incurred whether the employee performs no services, performs services at a place of employment other than the principal place of employment, or performs services at the principal place of employment before significant operations have resumed.

Wages qualifying for the credit generally have the same meaning as wages subject to the Federal Unemployment Tax Act (FUTA). Qualified wages also include amounts you paid or incurred for medical or hospitalization expenses in connection with sickness or accident disability. Qualified wages don't include wages paid to or incurred for your dependent or wages paid to or incurred for an employee related to you.

For agricultural employees, if the work performed by any employee during more than half of any pay period qualifies under FUTA as agricultural labor, the first \$6,000 of that employee's wages subject to social security and Medicare taxes are qualified wages.

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Qualified wages for any employee must be reduced by the amount of any work supplementation payment you received under the Social Security Act for the employee.

**Hurricane Maria Disaster Zone**

The following U.S. municipalities and islands are in the Hurricane Maria disaster zone.

**Puerto Rico.** All 78 municipalities in the Commonwealth of Puerto Rico.

**U.S. Virgin Islands.** St. Croix, St. John, and St. Thomas.

**Member of Controlled Group or Business Under Common Control**

For purposes of figuring the credit, all members of a controlled group of corporations (as defined in section 52(a)) and all members of a group of businesses under common control (as defined in section 52(b)), are treated as a single taxpayer. As a member, figure your credit based on your proportionate share of qualified wages giving rise to the group’s employee retention credit. Enter your share of the credit on line 2. Attach a statement showing how your share of the credit was figured, and enter “See attached” next to the entry space for line 2.

**Specific Instructions**

**Section A. Employee Retention Credit**

**Lines 1a, 1b, and 1c**

Enter the total qualified wages (defined earlier) paid or incurred. Don’t enter more than \$6,000 for each qualified employee.

**Line 3**

Enter total employee retention credits from:

- Schedule K-1 (Form 1065), Partner’s Share of Income, Deductions, Credits, etc., box 15 (code P);
- Schedule K-1 (Form 1120S), Shareholder’s Share of Income, Deductions, Credits, etc., box 13 (code P);
- Schedule K-1 (Form 1041), Beneficiary’s Share of Income, Deductions, Credits, etc., box 13 (code Z); or
- Form 1099-PATR, Taxable Distributions Received From Cooperatives, box 10, or other notice of credit allocation.

Partnerships, S corporations, cooperatives, estates, and trusts report the above credits on line 3. All other filers figuring a separate credit on earlier lines also report the above credits on line 3. All others not using earlier lines to figure a separate credit can report the above credits directly on Form 3800, Part III, line 1aa.

**Line 5**

**Cooperatives.** A cooperative described in section 1381(a) must allocate to its patrons the credit in excess of its tax liability limit. Therefore, to figure the unused amount of the credit allocated to patrons, the cooperative must

first figure its tax liability. While any excess is allocated to patrons, any credit recapture applies as if the cooperative had claimed the entire credit.

If the cooperative is subject to the passive activity rules, include on line 3 any Form 5884-A credit from passive activities disallowed for prior years and carried forward to this year. Complete Form 8810, Corporate Passive Activity Loss and Credit Limitations, to determine the allowed credit that must be allocated to patrons. For details, see the Instructions for Form 8810.

**Estates and trusts.** Allocate the employee retention credit on line 4 between the estate or trust and the beneficiaries in the same proportion as income was allocated and enter the beneficiaries’ share on line 5.

If the estate or trust is subject to the passive activity rules, include on line 3 any Form 5884-A credit from passive activities disallowed for prior years and carried forward to this year. Complete Form 8582-CR, Passive Activity Credit Limitations, to determine the allowed credit that must be allocated between the estate or trust and the beneficiaries. For details, see the Instructions for Form 8582-CR.

**Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual and business taxpayers filing this form is approved under OMB control number 1545-0074 and 1545-0123 and is included in the estimates shown in the instructions for their individual and business income tax return. The estimated burden for all other taxpayers who file this form is shown below.

<b>Recordkeeping</b> . . . . .	2 hr.,	23 min.
<b>Learning about the law or the form</b> . . . . .		18 min.
<b>Preparing and sending the form to the IRS</b> . . . . .		21 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.