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2021



Department of the Treasury
Internal Revenue Service

Instructions for Form 5884-D

Employee Retention Credit for Certain Tax-Exempt Organizations Affected by Qualified Disasters

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

Future Developments

For the latest information about developments related to Form 5884-D and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form5884D](https://www.irs.gov/Form5884D).

General Instructions

Purpose of Form

A qualified tax-exempt organization (including certain governmental entities) that continued to pay or incur wages after activities of the organization became inoperable because of damage from a qualified disaster may be able to use Form 5884-D to claim the 2020 qualified disaster employee retention credit against certain payroll taxes. This is the same credit businesses claim against income taxes using Form 5884-A. The credit is equal to 40% of up to \$6,000 of qualified wages paid to or incurred for each eligible employee. The credit is claimed against the employer portion of social security tax on wages paid to all employees during an employment tax period. A list of qualified disasters is available at the end of these instructions.

The organization files Form 5884-D after it files its employment tax return for the employment tax period for which it is claiming the credit. The organization begins by filing Form 5884-D for the first employment tax period during which qualified wages are paid to an eligible employee. The organization continues to file Form 5884-D for each subsequent employment tax period during which either additional qualified wages were paid, or additional employment taxes needed to claim a credit for unused qualified wages reported for an earlier employment tax period were paid. Each Form 5884-D figures the cumulative credit the organization is entitled to for all periods and reduces that amount by any amounts claimed on previously filed Forms 5884-D.

A qualified tax-exempt organization filing its own Form 5884-D should file one Form 5884-D for the organization per employment tax period. A third-party payer will file a single separate Form 5884-D for each qualified tax-exempt organization per employment tax period.

Form 5884-D is filed separately from any other returns. The credit claimed on this form will not affect the tax liability reported on the organization's employment tax returns. Nevertheless, the organization may reduce its required deposits in anticipation of any credit. The IRS will refund the amount shown on line 12 of Form 5884-D, plus any interest that applies, unless the IRS corrects Form

5884-D during processing or the organization owes other taxes, penalties, or interest.



The amount properly claimed on Form 5884-D is treated as a credit on the first day of the organization's employment tax return period.

Qualified tax-exempt organizations eligible to claim this credit can reduce their deposits in an employment tax period by the amount of their anticipated credits for that employment tax period. However, because Form 5884-D may not be processed with the organization's employment tax return, an organization that reduces its required deposits in anticipation of a Form 5884-D credit may receive a system-generated notice reflecting a balance due and associated penalties and interest, if applicable. The balance due, including any related penalties and interest, resulting from the reduction in deposits to reflect the Form 5884-D credit will be abated when the credit is applied. Such abatement should occur without any action from the organization.

Qualified Tax-Exempt Organization

A qualified tax-exempt organization is an organization described in section 501(c) and exempt from tax under section 501(a) if:

- It conducted activities in a 2020 qualified disaster zone at any time during the incident period of the qualified disaster, and
- These activities were inoperable as a result of damage sustained by reason of that qualified disaster at any time during the period beginning on the first day of the incident period of the qualified disaster and ending on December 27, 2020.

An agency or instrumentality of the Federal government, or of a state, local, or Indian tribal government, is not a qualified tax-exempt organization unless it is:

- A federally chartered corporation described in section 501(c)(1) and exempt from tax under section 501(a); or
- A federal, state, or local college or university; or
- An entity whose principal purpose or function is providing medical or hospital care.

Eligible Employee

An eligible employee is an employee whose principal place of employment with the qualified tax-exempt organization immediately before the incident period of the qualified disaster was in the 2020 qualified disaster zone.

Qualified Wages

Qualified wages are wages paid or incurred for eligible employees at any time on or after the date the organization's activities first became inoperable at the employee's principal place of employment (determined

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immediately before the first day of the incident period of the qualified disaster) and before the earlier of:

- The date the organization resumed significant activities at that place, or
- The date 150 days after the last day of the incident period.

Qualified wages do not include any wages that exceed \$6,000 for an eligible employee for a calendar quarter (reduced by the amount of qualified wages credited for any prior calendar quarter).

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 activities have resumed.

Wages qualifying for the credit generally have the same meaning as wages subject to social security and Medicare taxes. However, qualified wages don't include any wages used to figure a coronavirus-related employee retention credit on an employment tax return, such as Form 941, Employer's QUARTERLY Federal Tax Return.

When To File

File Form 5884-D after the organization has filed its employment tax return for the employment tax period for which it is claiming the credit. File Form 5884-D for each employment tax period during which the organization either:

- Paid qualified wages to an eligible employee, or
- Paid additional employment taxes needed to claim a credit for excess qualified wages reported for an earlier employment tax period.

A qualified tax-exempt organization that files its employment tax return under its own employer identification number (EIN) (including organizations that file using a payroll service provider or reporting agent) should file one Form 5884-D for the organization per employment tax period. A third-party payer, such as a certified professional employer organization, a non-certified professional employer organization, or an agent under section 3504, who files an aggregate employment tax return and is filing Form 5884-D for a qualified tax-exempt organization claiming the credit should use the third-party's name and EIN on Form 5884-D and should enter the qualified tax-exempt organization's name, address, and EIN on line 1. A third-party payer who files an aggregate employment tax return must file a single separate Form 5884-D for each qualified tax-exempt organization claiming the credit in an employment tax period.

Note. The IRS cannot process Form 5884-D until the original employment tax return filed for the same tax period has been processed. Please allow 8 to 12 weeks for the processing of Form 5884-D.



Form 5884-D must be filed within 2 years from the date the tax reported on the employment tax return was paid, or 3 years from the date the employment tax return was filed, whichever is later.

Where To File

Send Form 5884-D to the address provided at the bottom of the form.

More information. For more information about this credit, see P. L. 116-260, Div. EE, sections 301 and 303(d).

Specific Instructions

Name and Address

If the organization receives its mail in care of a third-party (such as an accountant or an attorney), enter on the street address line "C/O" followed by the third party's name and street address or P.O. box.

A third-party payer who files an aggregate employment tax return and is filing Form 5884-D for a qualified tax-exempt organization client claiming the credit should enter the third party's name, address, and EIN.

Include the suite, room, or other number after the number address. If the Post Office does not deliver mail to the street address and the organization has a P.O. box, enter the box number instead of the street address.

Line 1

If a third-party payer who files an aggregate employment tax return is filing Form 5884-D for a qualified tax-exempt organization client claiming the credit, enter the name, address, and EIN of the qualified tax-exempt organization (defined earlier) for whom the third-party payer is claiming the credit. All information reported on Form 5884-D by a third-party payer for a qualified tax-exempt organization must relate solely to the organization identified on line 1.

Line 2

The credit is available only to an organization that is a qualified tax-exempt organization. The organization must be able to check "Yes" on either line 2a or 2b to qualify for the credit.

Line 3

Column (a). Enter the DR number of the qualified disaster that resulted in the damage that caused the organization's activities to become inoperable in a 2020 qualified disaster zone. See [2020 Qualified Disaster Zones](#), later.

Column (b). Enter a brief description of the qualified disaster.

Column (c). Identify the 2020 qualified disaster zone local jurisdiction(s) (county, parish, or municipality) where the organization's activities became inoperable as a result of damage sustained from the qualified disaster.

More than four disasters. If more than four disaster declarations apply, leave columns (a) and (c) blank on the fourth row and enter "See attached" in column (b). Attach a list with the information requested in columns (a) through (c) for each applicable qualified disaster. Include the name and EIN of the qualified tax-exempt organization at the top of the attached list.

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Line 5

As discussed earlier under *Purpose of Form*, the organization claims this credit against the employer's portion of social security tax on wages paid to all employees during the employment tax period. The organization files Form 5884-D for each employment tax period during which it claims a credit. Each Form 5884-D figures the cumulative credit the organization is entitled to for all periods and reduces the amount claimed for the period by any amounts claimed on previously filed Forms 5884-D.

Check the box(es) on line 5 to indicate the year (and quarter, if applicable) for the employment tax period for which the organization is claiming the credit. If qualified wages the organization is reporting on line 6a are not more than the amount reported on line 6a for the previous employment tax period, check "Carryforward only" and enter the year and quarter to which the credit carried forward is being applied.

Line 6

Enter on line 6a the total qualified wages (defined earlier) the organization paid in all periods through the end of the employment tax period indicated on line 5 to eligible employees of the organization.

Line 8

Enter the total amount of credits claimed from line 12 of any previously filed Forms 5884-D minus the total amount of credits repaid from line 13 of any previously filed Forms 5884-D. Each Form 5884-D figures the cumulative credit the organization is entitled to for all periods. The amount of the cumulative credit reported on line 6b must be reduced by the previously claimed credits and increased by any previously repaid amounts to determine the credit claimed for the employment tax period for which Form 5884-D is filed.



If the credit claimed for a prior period was limited by the employer's social security tax liability for that period, any excess credit will be carried forward and included in the cumulative credit figured on any subsequent Form 5884-D. The excess credit is not included in the amount on line 8.

Line 10

Enter the total taxable social security wages and tips reported on the employment tax return indicated on line 4 for the employment tax period indicated on line 5. For example, taxable social security wages and tips included on Form 941 for wages paid in the 4th quarter of 2020 were reported on the following lines.

- Form 941, line 5a, column 1 (taxable social security wages).
- Form 941, line 5b, column 1 (taxable social security tips).

Note. If you filed a corrected return (for example, Form 941-X) for the period indicated on line 5, enter the amounts as corrected.

Line 12

If your credit is less than \$1, we will apply it only if you ask us in writing to do so.

Line 13

You may pay the amount you owe on line 13 electronically using the Electronic Federal Tax Payment System (EFTPS), by credit or debit card, or by a check or money order.

- The preferred method of payment is EFTPS. For more information, visit [IRS.gov/EFTPS](https://www.irs.gov/EFTPS); call EFTPS Customer Service at 800-555-4477 or 800-733-4829 (TDD); or see Pub. 966, Electronic Federal Tax Payment System: A Guide To Getting Started.

- To pay by credit or debit card, visit the IRS website at [IRS.gov/PayCard](https://www.irs.gov/PayCard).

- If you pay by check or money order, make it payable to "United States Treasury." On your check or money order, be sure to write your EIN, "Form 5884-D," and the year (and quarter, if applicable) indicated on line 5.

You do not have to pay if the amount you owe is less than \$1.

Signature

Form 5884-D must be signed by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or other corporate officer (such as a tax officer) authorized to sign. A receiver, trustee, or assignee must sign any return filed for the organization. For a trust, the authorized trustee must sign.

Paid Preparer

A paid preparer must sign Form 5884-D and provide the information in the *Paid Preparer Use Only* section if the preparer was paid to prepare Form 5884-D and is not an employee of the filing entity. Paid preparers must sign paper returns with a manual signature. The preparer must give the organization a copy of Form 5884-D in addition to the copy to be filed with the IRS.

If you are a paid preparer, enter your preparer tax identification number (PTIN) in the space provided. Include your complete address. If you work for a firm, enter the firm's name and the EIN of the firm. You cannot use your PTIN in place of the EIN of the tax preparation firm.

You can apply for a PTIN online or by filing Form W-12, IRS Paid Preparer Tax Identification Number (PTIN) Application and Renewal. For more information about applying for a PTIN online, visit the IRS website at [IRS.gov/PTIN](https://www.irs.gov/PTIN).

Generally, you are not required to complete this section if you are filing Form 5884-D as a reporting agent and have a valid Form 8655, Reporting Agent Authorization, on file with the IRS. However, a reporting agent must complete this section if the reporting agent offered legal advice, for example, advising the client on determining whether its employees are eligible employees for purposes of this credit.

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2020 Qualified Disaster Zones

The following qualified disasters resulted in the designation of the 2020 qualified disaster zones. The information needed for credit purposes is provided below.

Alabama Hurricane Sally (DR-4563-AL)

The applicable incident period began on September 14 and ended on September 16, 2020. The date 150 days after the last incident period was February 13, 2021.

Counties in qualified disaster zone. Baldwin, Escambia, and Mobile.

Alabama Hurricane Zeta (DR-4573-AL)

The applicable incident period began on October 28 and ended on October 29, 2020. The date 150 days after the last incident period was March 28, 2021.

Counties in qualified disaster zone. Clarke, Dallas, Marengo, Mobile, Perry, Washington, and Wilcox.

California Wildfires (DR-4558-CA)

The applicable incident period began on August 14 and ended on September 26, 2020. The date 150 days after the last incident period was February 23, 2021.

Counties in qualified disaster zone. Butte, Lake, Lassen, Mendocino, Monterey, Napa, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, Stanislaus, Trinity, Tulare, and Yolo.

California Wildfires (DR-4569-CA)

The applicable incident period began on September 4 and ended on November 17, 2020. The date 150 days after the last incident period was April 16, 2021.

Counties in qualified disaster zone. Fresno, Los Angeles, Madera, Mendocino, Napa, San Bernardino, San Diego, Shasta, Siskiyou, and Sonoma.

Florida Hurricane Sally (DR-4564-FL)

The applicable incident period began on September 14 and ended on September 28, 2020. The date 150 days after the last incident period was February 25, 2021.

Counties in qualified disaster zone. Bay, Escambia, Okaloosa, Santa Rosa, and Walton.

Iowa Severe Storms (DR-4557-IA)

The applicable incident period began and ended on August 10, 2020. The date 150 days after the last incident period was January 7, 2021.

Counties in qualified disaster zone. Benton, Boone, Cedar, Clinton, Jasper, Linn, Marshall, Polk, Poweshiek, Scott, Story, and Tama.

Louisiana Hurricane Laura (DR-4559-LA)

The applicable incident period began on August 22 and ended on August 27, 2020. The date 150 days after the last incident period was January 24, 2021.

Parishes in qualified disaster zone. Acadia, Allen, Beauregard, Caddo, Calcasieu, Cameron, Grant, Jackson, Jefferson Davis, La Salle, Lincoln, Morehouse,

Natchitoches, Ouachita, Rapides, Sabine, St. Landry, Union, Vermilion, Vernon, and Winn.

Louisiana Hurricane Delta (DR-4570-LA)

The applicable incident period began on October 6 and ended on October 10, 2020. The date 150 days after the last incident period was March 9, 2021.

Parishes in qualified disaster zone. Acadia, Allen, Beauregard, Calcasieu, Cameron, Iberia, Jefferson Davis, Lafayette, Rapides, St. Landry, St. Martin, and Vermilion.

Louisiana Hurricane Zeta (DR-4577-LA)

The applicable incident period began on October 26 and ended on October 29, 2020. The date 150 days after the last incident period was March 28, 2021.

Parishes in qualified disaster zone. Jefferson, Lafourche, Orleans, Plaquemines, St. Bernard, and Terrebonne.

Michigan Severe Storms and Flooding (DR-4547-MI)

The applicable incident period began on May 16 and ended on May 22, 2020. The date 150 days after the last incident period was October 19, 2020.

Counties in qualified disaster zone. Arenac, Gladwin, Iosco, Midland, and Saginaw.

Mississippi Severe Storms, Tornadoes, Straight-Line Winds, and Flooding (DR-4536-MS)

The applicable incident period began and ended on April 12, 2020. The date 150 days after the last incident period was September 9, 2020.

Counties in qualified disaster zone. Clarke, Covington, Grenada, Jasper, Jefferson Davis, Jones, Lawrence, Panola, and Walthall.

Mississippi Hurricane Zeta (DR-4576-MS)

The applicable incident period began on October 28 and ended on October 29, 2020. The date 150 days after the last incident period was March 28, 2021.

Counties in qualified disaster zone. George, Greene, Hancock, Harrison, Jackson, and Stone.

Oregon Severe Storms, Flooding, Landslides, and Mudslides (DR-4519-OR)

The applicable incident period began on February 5 and ended on February 9, 2020. The date 150 days after the last incident period was July 8, 2020.

Counties in qualified disaster zone. Umatilla and Umatilla Indian Reservation.

Oregon Wildfires and Straight-Line Winds (DR-4562-OR)

The applicable incident period began on September 7 and ended on November 3, 2020. The date 150 days after the last incident period was April 2, 2021.

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Counties in qualified disaster zone. Clackamas, Douglas, Jackson, Klamath, Lane, Lincoln, Linn, and Marion.

Puerto Rico Earthquakes (DR-4473-PR)

The applicable incident period began on December 28 and ended on July 3, 2020. The date 150 days after the last incident period was November 30, 2020.

Municipalities in qualified disaster zone. Adjuntas, Aguada, Añasco, Arecibo, Barceloneta, Cabo Rojo, Ciales, Coamo, Corozal, Guánica, Guayanilla, Hormigueros, Jayuya, Juana Díaz, Lajas, Lares, Las Marías, Maricao, Mayagüez, Moca, Morovis, Naranjito, Orocovis, Peñuelas, Ponce, Sabana Grande, Salinas, San Germán, San Sebastián, Santa Isabel, Utuado, Villalba, and Yauco.

Puerto Rico Tropical Storm Isaias (DR-4560-PR)

The applicable incident period began on July 29 and ended on July 31, 2020. The date 150 days after the last incident period was December 28, 2020.

Municipalities in qualified disaster zone. Aguada, Hormigueros, Mayagüez, and Rincón.

Puerto Rico Severe Storms and Flooding (DR-4571-PR)

The applicable incident period began and ended on September 13, 2020. The date 150 days after the last incident period was February 10, 2021.

Municipality in qualified disaster zone. Arecibo.

South Carolina Severe Storms, Tornadoes, and Straight-Line Winds (DR-4542-SC)

The applicable incident period began on April 12 and ended on April 13, 2020. The date 150 days after the last incident period was September 10, 2020.

Counties in qualified disaster zone. Aiken, Barnwell, Berkeley, Colleton, Hampton, Marlboro, Oconee, Orangeburg, and Pickens.

Tennessee Severe Storms, Tornadoes, Straight-Line Winds, and Flooding (DR-4476-TN)

The applicable incident period began and ended on March 3, 2020. The date 150 days after the last incident period was July 31, 2020.

Counties in qualified disaster zone. Davidson, Putnam, and Wilson.

Tennessee Severe Storms, Tornadoes, Straight-Line Winds, and Flooding (DR-4541-TN)

The applicable incident period began on April 12 and ended on April 13, 2020. The date 150 days after the last incident period was September 10, 2020.

Counties in qualified disaster zone. Bradley and Hamilton.

Utah Earthquake and Aftershocks (DR-4548-UT)

The applicable incident period began on March 18 and ended on April 17, 2020. The date 150 days after the last incident period was September 14, 2020.

Counties in qualified disaster zone. Davis and Salt Lake.

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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. However, certain returns and return information of tax-exempt organizations and trusts are subject to public disclosure and inspection, as provided by section 6104.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for tax-exempt organizations filing this form is approved under OMB control number 1545-0047 and is included in the estimates shown in the instructions for their information return.
