

New Tax Credit for Vaccine Leave



Last week the White House announced a tax credit for employers offering vaccine-related paid time off as the Biden Administration urges more Americans to seek out Covid shots amid a slight decline in recent vaccinations.

The tax credit for small- and medium-sized businesses will offset the cost of giving employees paid leave for getting inoculated, as well as to recover from any potential side effects of the new Covid vaccines, according to the White House.

President Biden is calling on employers to use their resources to encourage vaccinations by sharing accurate information and providing possible incentives, such as product giveaways and discounts for vaccinated people.

“Every employee should get paid leave to get a shot, and businesses should know that they can provide it without a hit to their bottom line,” Biden said in a speech at the White House. The tax credit, part of the \$1.9 trillion Covid stimulus plan signed into law last month, applies to nearly half of all private sector employees, according to the White House.

For businesses and nonprofits with fewer than 500 employees, the tax credit will cover paid leave for up to \$511 per day per employee for up to 10 workdays, or 80 work hours, taken between April 1 and Sept. 30, 2021. The IRS will be providing details on how employers will be able to administer the new tax credits.