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TO OUR GARC MEMBERS:

COVID-19 ANNOUNCEMENT

The Illinois Department of Public Health, local health departments, and public health partners throughout Illinois, have been responding to an outbreak by coronavirus identified in December 2019.

WHAT WE KNOW

During recent press briefings, the President enacted the “Defense Production Act” and the H.R. 6201, the “Families First Coronavirus Response Act” (the Act). The law (the Act) becomes effective 15 days after it is enactment, which is no later than April 2, 2020. The Act guarantees free testing, paid emergency leave, secured unemployment insurance, increases Medicaid funding to states, and food assistance for those in need.

Several coronavirus relief bills have advanced to Capitol Hill this week, resulting in multiple resolutions regarding the outbreak.

WHO QUALIFIES FOR TAX RELIEF

In response to the coronavirus stimulus package, White House officials have announced the allowance of 90-day extensions regarding personal tax returns. This includes a payment tax extension due July 15, 2020, for up to 1 million dollars of tax due. Penalties and interest will begin to accrue on July 16, 2020. This tax relief is only relevant for federal taxes.

In an effort to assist with Small Businesses, the White House has also given more flexibility regarding IRS payroll taxes; allowing taxpayers to delay payments an additional 90 days. Employers will receive a payroll tax credit for qualified sick leave wages paid out by the employer, subject to caps and limitations.

Effective immediately, the Illinois Department of Revenue is waiving any penalties or interest that would have been imposed on late sales tax payments from qualified businesses.

Those operating eating and drinking establishments that incurred a total sales tax liability of less than \$75,000 in the calendar year of 2019. Tax payers will not be charged interest or penalties on late payments for sales tax liabilities for the months of

February, March, and April 2020 reporting periods. IDOR will automatically waive penalties and interest for those who qualify.

Please contact your Accountant for tax extension relief.

If you are expecting a refund, we are encouraging you to filing your taxes as soon as possible. We are also suggesting that you contact your accountant to file an extension for personal taxes to be due September 15, 2020 rather than July 15th extension.

As a part of the stimulus package, White House officials have recommended giving \$1,000.00 for every adult and \$500.00 for every child, but could continue for the remaining duration of the health crisis. As soon as Congress passes this proposal, the emergency funding would be sent within 3 weeks and then six weeks later, and an additional amount could be sent pending the disaster continues.

Economic relief packages for Small Businesses; payroll tax cuts, sales tax cuts, and small business interest and penalty waivers are constantly evolving as more information becomes known regarding the epidemic.

HOW CAN MY BUSINESS GET A LOAN

Small business owners in several states are encouraged to apply for the “Economic Injury Disaster Loan”. All counties within the state of Illinois are made eligible for the loan. Applicants must have an acceptable credit history for SBA, applicants must show ability to repay the loan, and collateral is required for loan requests over \$25,000.00

SBA will not decline a loan for lack of collateral, but will require the borrower to pledge collateral that is available. The interest rate is set to be 3.75% for small businesses and 2.75% for non-profits for 30 years.

For questions, please contact the SBA disaster assistance customer service center at 1-800-659-2955 (TTY: 1-800-877-8339) or e-mail disastercustomerservice@sba.gov.

IN SUMMATION

Economic and health related resolutions to the pandemic are constantly evolving. The economy and the economy’s future is at a complete stand still. A number of questions remain unanswered. We ask that Small Businesses stay positive as the White House continues to enact new bills that will resolve the financial burdens the virus has caused us.

We will keep you updated with pertinent tax developments. For further information regarding what you can do for your small business; feel free to call us at 847 635 1500.

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