

# Coronavirus Legislation

The following is a summary of the coronavirus legislation to help small businesses:

## 1) Paycheck Protection Loans

- A. Loans up to 10 million based on 2.5 times monthly payroll and operating expenses.
- B. **A portion of the loan used for certain expense will be FORGIVEN.**
- C. Apply for the loan through banks (SBA approved lenders).
- D. Read more here: [https://www.rubio.senate.gov/public/\\_cache/files/ac3081f6-14ae-4e6f-9197-172ede28badd/71AB6CB05A08E369E0D488A80B3874A5.faqs---paycheck-protection-program-faqs-for-small-businesses.pdf](https://www.rubio.senate.gov/public/_cache/files/ac3081f6-14ae-4e6f-9197-172ede28badd/71AB6CB05A08E369E0D488A80B3874A5.faqs---paycheck-protection-program-faqs-for-small-businesses.pdf)

## 2) Illinois Small Business Relief Program, Grants and Loans

- A. Grants up to \$10,000
- B. Loans are also available
- C. 14 million is available to bars and restaurants
- D. Applications accepted thru 5:00 pm on April 1st
- E. More information:

<https://www2.illinois.gov/dceo/SmallBizAssistance/Pages/EmergencySBAInitiatives.aspx>

## 3) Economic Injury Disaster Loan

- A. Almost everyone is eligible
- B. Borrow up to \$2 million at 3.75%
- C. You can get a \$10,000 advance for immediate cash flow help.
- D. True business loan that requires tax returns, personal financial statements etc.
- E. Apply at SBA website: <https://www.sba.gov/disaster-assistance/coronavirus-covid-19>

## 4) Paid Sick Leave for Employees

- A. Employees have the right to take 12 weeks off and still be paid.
- B. Does not apply to employees that have been laid off.
- C. **Employers receive 100% reimbursement for paid leave pursuant to the Act.**
- E. More information here: <https://www.nfib.com/content/legal-compliance/coronavirus/coronavirus-paid-sick-leave-and-expanded-family-leave-law-effective-april-1-2020/> and <https://www.nfib.com/content/legal-compliance/healthcare/small-business-faqs-on-covid-19/>

## **5) Employee Retention Credit, Refundable Tax Credit for Employers That Keep Employees on Payroll**

- A. For Companies that are severely impacted (must close down).
- A. 50% refundable tax credit on the first \$10,000 of compensation
- B. More here: <https://www.dykema.com/resources-alerts-summary-of-the-employee-retention-credit-provision-of-the-cares-act-section-2301.html>

## **6) Payroll Tax Delay**

- A. Payment of 50% of 2020 employer payroll taxes will be delayed until 12-31-21.
- B. The other 50% will be delayed until 12-31-22.
- C. Also applies to self-employment tax for self-employed persons.

## **7) Reimbursement to Employees Including Child Care are not Taxable to Employees**

- A. More here: <https://www.forbes.com/sites/anthonymitti/2020/03/23/little-known-tax-law-allows-employers-to-make-tax-free-payments-to-employees-to-cover-covid-19-expenses/#57eb1224cfcc>

## **8) Miscellaneous:**

- A. Federal and Illinois tax deadlines extended to July 15th.
- B. Extended deadline applies to first quarter estimated payments, IRA and pension funding.
- C. Leasehold improvements are now 15-year property and can now be deducted in first year.
- D. The stimulus checks being sent to individuals are advance payment of tax credits. If you don't receive a check and should have gotten one you will get a credit on your 2020 1040.

A couple of articles that cover the entire stimulus packages:

<https://www.journalofaccountancy.com/news/2020/mar/cares-act-economic-relief-coronavirus-tax-provisions.html>

<https://www.skadden.com/insights/publications/2020/03/cares-act-provides-much-needed-stimulus>