

WAYNE | PIKE | MONROE | CARBON

#### **CARES Act**

How businesses in the Poconos can get assistance



- **★ EMERGENCY STABILIZATION FUND**
- ★ SBA CORONAVIRUS ECONOMIC INJURY DISASTER LOANS
- **★ SBA EXPRESS LOANS**
- **★** SBA BUSINESS INTERRUPTION LOANS (PAYCHECK PROTECTION PROGRAM)
- **★** DEBT RELIEF & LOAN FORGIVENESS FOR SMALL BUSINESSES

#### **EMERGENCY STABILIZATION FUND**

#### **Treasury Department & Federal Reserve**

- Eligibility
  - any business, state or municipality (includes nonprofits including DMOs)
- Loans for mid-sized businesses and nonprofits (500-10,000 employees)
  - \$ must be used to retain at least 90% of workforce through
     9/30/2020
- Troubled debt restructuring banks can renegotiate loan terms w/ borrowers impacted by COVID-19
- TBD how to apply

#### SBA CORONAVIRUS ECONOMIC INJURY DISASTER LOANS

#### First line of defense, broadest option

- Eligibility
  - o self-employed (1099)
  - o 500 or less employees
  - o non-profits
  - o made less than \$30 million in 2019
- Max 30-year term, ability to repay, up to 4% interest rate (2.75% for nonprofits, max \$2 million
- \*QUICKEST WAY TO GET CASH UP TO \$10K within 3 days "no questions asked" and don't have to repay if the loan is denied
- Apply through SBA, loan through SBA
- Can be used for
  - payroll (employee retainment)
  - o rent/mortgage
  - o repaying debt that can't be made because of loss of revenue
  - o paid sick leave

#### SBA INTERRUPTION - PAYCHECK PROTECTION PROGRAM

- Eligibility
  - self-employed
  - o 500 or less employees
  - o non-profits (c3, c19)

- Through local banks/credit unions
  - a portion can be forgiven tax free
  - repayment deferred for at least 6 months, no more than 1 year
  - interest rate 4% max, max loan can be 250% of average monthly costs
- Can be used for
  - up to 8 weeks payroll
  - certain operating costs
  - healthcare benefits
  - insurance premiums
  - o paid leave
  - debt/mortgage interest
- Application process TBD

#### SBA EXPRESS LOANS

- Eligibility
  - small business certain size (2 years in existence)
  - local banks
  - max \$1 million, max interest 11.5% for \$50k or less, 9.5% for \$50k or more
  - can apply for loan from existing SBA lender

#### **DEBT RELIEF**

### SBA WILL PAY PRINCIPAL, INTEREST & FEES FOR 6 MONTHS (30 DAY DEADLINE FOR CARES ENACTMENT!!!)

- Eligibility
  - any small business w/ existing SBA loan or new 7(a) loan made within 6 months of CARES Act

#### TAX RELIEF

- Employee retention tax credit
  - must have been forced to fully or partially shut down or experience 50%+ decline in gross revenue in a quarter this year (compared to same last year)
- Deferral of Employer Payroll taxes

- o all employers & self employed
- o not eligible if loans forgiven under Payroll protection program

#### **COMMUNITY DEVELOPMENT BLOCK GRANTS**

- Funding consideration will be based on COVID-19 cases statewide
- states and local govts \$5+ billion
- 70% must be used for activities that benefit low-moderate income ppl

#### What resources are available for my type of business?

• Check out our <u>CARES Act Guide of Eligibility</u> which includes a detailed list of resources available broken out by business classification including: small businesses, 501(c)(3), 501(c)(4), 501(c)(6), 501(c)(7), 501(c) (9), 501(c)(19), states, nonprofits, franchises, corporations, airports and more.

#### Where do I apply for each type of grant or loan? Are they all available to apply for now?

- Some of the new loan features are available, some are not. To find the most up to date information, please visit the SBA <u>here</u>. You can use the site to find where to apply for the loans, but in general:
- SBA Economic Injury Disaster Loan: Apply with the SBA <u>here</u>.
- SBA Interruption Loan (Paycheck Protection Program): Apply through an authorized Bank or Credit
  Union. The program hasn't been established yet, but when it is you can find the list of SBA-approved
  lenders in each state or region <a href="here">here</a>.
- SBA Express Loan: Apply through an authorized Bank or Credit Union. You can find the list of SBAapproved lenders in each state or region <a href="here">here</a>.
- **Economic Stabilization Fund:** To be determined. The Treasury Department, the Federal Reserve, or financial institutions will issue guidance regarding applications for loans or loan guarantees under this program.
- Community Development Block Grants: Individuals, businesses, and nonprofits are not eligible for
  direct CDBG grants, but may receive subgrants through states, cities or counties. If you are interested
  in receiving a grant under this program, you will need to contact your local municipal or county officials
  to find out how the program operates in your area. To find out the list of local government entities in
  your area that receive and administer CDBG grants, please click here. Funding opportunities are not yet
  available, but funding will be provided to eligible local municipal or county governments within 30 days
  and on a rolling basis thereafter.
- Economic Development Assistance Program (EDAP) Grants: A notice of funding opportunities and information on how to apply will be posted on the Economic Development Administration's website, which you can <u>find here</u>. While these grants are not yet available, funding opportunities may be announced within the next 30 days (or by April 27, 2020).

#### What is the cap on each different type of loan?

Actual loan amounts are based on need (e.g. expenses, payroll, etc) and other requirements (e.g. collateral, risk, etc.), but the maximum size for each loan is:

- SBA Economic Injury Disaster Loan: \$2 million
- SBA Interruption Loan (Paycheck Protection Program): \$10 million

- SBA Express Loan: \$1 million
- Economic Stabilization Fund: To be determined. The Treasury Department, the Federal Reserve, or financial institutions will issue information regarding the maximum loan amounts available. However, maximum loan amounts are likely to consider the amount of economic losses incurred as a result of COVID-19, credit worthiness, collateral pledged, and ability to repay.
- Community Development Block Grants: You will need to contact your local municipal or county officials to find out how the program operates in your area. Participation requirements may differ from one grantee to another. Find out who administers the CDBG Program in your area.
- Economic Development Assistance Program (EDAP) Grants: A notice of funding opportunities and information on how to apply will be posted on the Economic Development Administration's website, which you can <u>find here</u>. The notice of funding opportunities will provide information on the maximum grant amount under this program.

#### Do you have to pick and choose one between the Disaster Relief Loan and the Paycheck Protection Program loan? Or can I apply for both?

No, but they generally can't be used to cover the same expense. Since Economic Injury Disaster Loans are available now, they should be the first choice for relief. An Economic Injury Disaster Loan can be folded into a Paycheck Protection Loan (Interruption Loan), but not vice versa. The Paycheck Protection Program is designed to be supplemental to the Economic Injury Disaster Loan program, covering expenses that can't be covered by an Economic Injury Disaster Loan alone.

#### How soon could I expect relief from each type of loan?

Turnaround times may vary, but based on history:

- SBA Economic Injury Disaster Loan: 2-3 weeks for the full loan, but 3 days for \$10,000 cash advance.
- SBA Interruption Loan (Paycheck Protection Program): N/A, new program.
- SBA Express Loan: 36 hours
- **Economic Stabilization Fund:** To be determined. The Treasury Department, the Federal Reserve, or financial institutions will issue guidance regarding how quickly loans and other financial assistance will be dispersed.
- Community Development Block Grants: Within 30 days (or by April 27, 2020), the Department of Housing and Urban Development will begin distributing grants to eligible local municipal or county officials. Once these funds have been distributed to local and county officials, please contact them to determine when these grants will be made distributed and for what purpose. Find out who administers the CDBG Program in your area.
- Economic Development Assistance Program (EDAP) Grants: A notice of funding opportunities and information on when these grants will be disbursed will be posted on the Economic Development Administration's website, which you can <u>find here</u>. While these grants are not yet available, funding opportunities may be announced within the next 30 days (or by April 27, 2020).

#### How is employee retention calculated for the Payroll Protection Program?

- The loan forgiveness amount is reduced by the percentage of employment and amount of wages that is reduced over the first 8 weeks of the loan for any employee making \$100,000 or less, compared to the applicable period last year. For most borrowers, the "applicable period" is either between February 15, 2019 and June 30, 2019 or between January 1, 2020 and February 29, 2020, at the election of the borrower. For seasonal businesses, the applicable period is February 15, 2019 and June 30, 2019. Total employment is determined by calculating the average number of full-time equivalent employees for each pay period falling within a month.
- There's an allowance for a temporary decline in employment and wages occurring between February 15 and April 27.

#### Are there any grants available?

Yes, grants are available in the following programs, through the following ways:

- **SBA Economic Injury Disaster Loan:** \$10,000 grant given in the form of a cash advance of the loan that doesn't have to be paid back.
- SBA Interruption Loan (Paycheck Protection Program): Up to \$10 million grant given in the form of tax-free loan forgiveness for the portion of the loan used to cover payroll, (including additional wages paid to tipped employees), mortgage debt interest, rent, and utilities during the first 8 weeks of the loan—which will be reduced if you reduce the number of employees or wages.
- Community Development Block Grants (CDBG): Grants and loans are available through this program.
  However, it is up to the local and county officials that receive the funds to determine what kind of grants or loans they will made available with these funds. Find out who administers the CDBG Program in your area.
- Economic Development Assistance Program (EDAP) Grants: Both grants and loans may be made
  available through this program. A notice of funding opportunities will be posted on the Economic
  Development Administration's website, which you can <u>find here</u>. These notices will contain information
  regarding the kinds of grants and loans with will be made available.

#### Where can I find a list of SBA lenders in my area?

You can find the list of SBA-approved lenders in each state or region here.

#### Do the relief resources in the CARES Act apply to seasonal businesses as well?

 Yes, there are flexible rules provided for seasonal businesses. Contact your nearest <u>SBA District Office</u> to see what applies to you.

#### What loan program would you recommend for a small business to get some help with rent for a few months?

Both the Economic Injury Disaster Loan program and the Paycheck Protection Program can be used to cover rents. However, since Economic Injury Disaster Loans are available now, they should be the first choice for relief. An Economic Injury Disaster Loan can be folded into a Paycheck Protection Loan (Interruption Loan),

but not vice versa. The Paycheck Protection Program is designed to be supplemental to the Economic Injury Disaster Loan program, covering expenses that can't be covered by an Economic Injury Disaster Loan alone.

#### Is a Disaster Loan the same as the Economic Injury Disaster Loan?

• Yes, an Economic Injury Disaster Loan provided through the SBA is sometimes referred to in the shorthand as a "disaster loan."

#### Is unemployment insurance available for furloughed employees?

- Yes, the CARES Act allows individuals who are unemployed, partially unemployed, or unable to work
  due to the coronavirus outbreak (including furloughed workers and the self-employed) to receive
  unemployment assistance totaling their regular wage plus \$600 (upon request by a State until July
  31, 2020), for up to 39 weeks, during any period of employment disruption between January 27 and
  December 31, 2020—with no waiting period requirement.
- Additionally, the CARES Act allows the federal government to fully cover a state's share of short-time compensation (STC) until December 31, 2020. STC allows employers to reduce hours of work for employees rather than laying-off some employees while others continue to work full time. Those employees experiencing a reduction in hours are allowed to collect a percentage of their unemployment insurance benefits to replace a portion of their lost wages. To find out if your state has an STC program, please visit the Department of Labor's website <a href="here">here</a>.

#### Is the Employee Retention Tax Credit different than the tax credit available through the Families First Coronavirus Response Act?

- Yes, they are different. The Employee Retention Tax Credit allows non-governmental employers to claim a refundable tax credit against the quarterly-paid employer portion of Social Security taxes (6.2% of wages). The credit is worth 50% of eligible compensation (including group health benefits), up to \$10,000 in employee compensation, providing a maximum credit of \$5,000 per employee. Any employee paid leave benefit that is eligible for a tax credit under the Families First Coronavirus Response Act cannot be included in the calculation of eligible compensation under the Employee Retention Tax Credit.
- Under the Families First Coronavirus Response Act, employers can generally receive a refundable tax credit to help cover the cost of paid leave benefits. More information can be found on the IRS website here.

#### For mid-size businesses that must retain 90% of their workforce through September 30, when does the government take the snapshot to calculate the 90% figure?

• Economic Stabilization Fund: Through a program that is likely to be established by the Treasury Department for mid-sized businesses and nonprofits (of between 500 – 10,000 employees), there will be requirements that a borrower retain 90% of its workforce that existed as of Feb. 1, 2020 and to restore all worker compensation and benefits no less than four months after the Secretary of Health and Human Services declares an end to the pandemic emergency.

#### What is the date where the government calculates the 500-employee qualification? The end of a calendar year?

In general, the employee size standards are calculated using the average employment of a firm during
the previous 12 calendar months. To determine how to calculate the average employment over the
previous calendar months for your business, <u>click here to review 13 CFR § 121.106</u>. A table of SBA
revenue and <u>size standards by industry can be found here</u>.

#### Is there a cheat sheet available on each of these programs comparing the differences?

We recommend reviewing our <u>CARES Act Guide of Eligibility</u> to determine which programs your
organization qualifies for and then comparing the differences among those programs using our fact
sheets, which can be <u>found here</u>.





### **ORIGINAL ASKS**

- Grants to protect the travel workforce.
- Loans to stabilize travel-dependent businesses and nonprofits with zero interest, unsecured lines of credit from the U.S.
   Treasury Department.
- Increasing SBA loan limits and guarantee percentages, waiving loan fees, and providing forbearance on interest and loan payments through 2020.
- Permitting affected businesses to temporarily defer tax liability, delay or eliminate estimated quarterly tax payments
  and filing deadlines and allowing for a carryback of the Net Operating Loss (NOL) deduction, as well as creating an
  employee retention credit and increasing unemployment insurance.
- Installing a temporary travel tax credit to encourage travel spending, restoring the entertainment business expense
  deduction, boosting community development block grants to promote healthy travel and providing a temporary payroll
  tax cut.

## CARES Act

The CARES Act, the **largest economic relief package in our nation's history**, was signed into law on March 27 and includes major provisions that will deliver economic support to travel businesses, travel workers and their families.

- \$377 BILLION in loans and loan forgiveness for small travel businesses
- \$454 BILLION in federally backed financial assistance for impacted businesses

- TAX RELIEF to mitigate losses and allow businesses to use cash to pay employees and keep the lights on
- GRANTS for impacted tourism businesses and airports

## What We LIKE and What We STILL NEED



- Strong tax relief section closely matches our requests
- Enhanced SBA loans
- Bold package with resources benefiting workers and travel businesses of all sizes

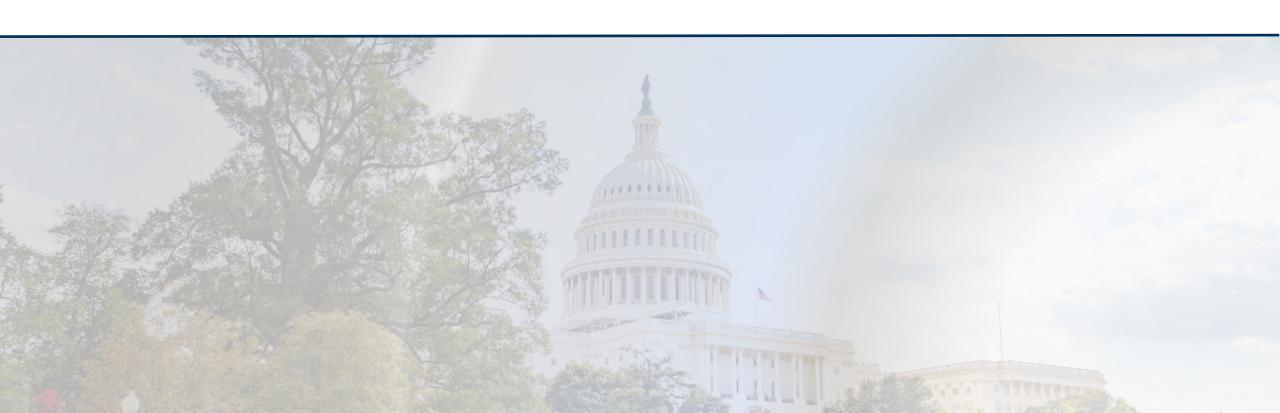


- Need for streamlining and ease in obtaining resources
- Need for expediting money to businesses in need
- Need for flexible options for ALL small businesses
- Need for loan increases and extensions

## USTRAVEL.ORG/RELIEFRESOURCES

- **★ U.S. TRAVEL SUMMARY OF CARES ACT**
- ★ **DETAILED DOCUMENTS** on types of loans offered, the Paycheck Protection Program, grants and tax relief (to come)
- OFFICIAL SBA RESOURCES and LINKS including a list of state-by-state lenders
- "IF YOU ARE A".... GUIDE TO ELIGIBILITY by member segment

## EMERGENCY STABILIZATON FUND



## WHO IS ELIGIBLE

- ANY U.S. BUSINESS REGARDLESS OF SIZE, which may include any nonprofit that is tax exempt under 501(c) of the tax code, including 501(c)(4) and 501(c)(6) organizations. Businesses must also meet certain criteria.
- **STATES**, including the District of Columbia; territories, any bi-state or multi-state entity; and any Indian Tribe.
- MUNICIPALITIES, including a political subdivision of a state, such as State Tourism Office; an instrumentality of a municipality, state or a political subdivision of a state; such as a Destination Marketing Organization classified as a political subdivision; a city or county airport authority; or a convention authority.

#### **ADDITIONAL ELIGIBILTY:**

The Treasury and Federal Reserve have broad authority to determine the eligibility requirements for any loans, loan guarantees or financial assistance enabled through these funds.

# What kind of financial assistance is provided?

**SECURED LOANS through BANKS and CREDIT UNIONS:** The terms, conditions and maximum loan amounts will be set by the Federal Reserve and the financial institution.

#### **DIRECT LOANS through the Federal Reserve:**

- Cannot repurchase its own equity or its parent company's equity (stock buybacks);
- Cannot pay dividends or make other capital distributions on its common stock
- Must agree to limitations on total compensation (salary, bonuses, stock awards, golden parachutes and other financial benefits) paid to officers and employees whose total compensation was more than \$425,000 in 2019.

**DIRECT Federal Investment:** Treasury may also establish a program (through the Federal Reserve) to offer funding to eligible entities in exchange for debt obligations (e.g. corporate or municipal bonds), securities, or an ownership interest in assets.

# What kind of financial assistance is provided?

#### **Loans for MID-SIZED Businesses and Nonprofits** (500-10,000 employees):

- Annualized interest rates will be no more than 2% and the borrower will not be required to pay principle or interest for at least the first six months.
- Funds must be used to retain at least 90% of employee workforce with full compensation and benefits through September 30, 2020
- The borrower intends to restore not less than 90% of the workforce that existed as of February 1, 2020 and to restore all worker compensation and benefits no less than four months after the pandemic
- Other conditions apply

#### MAIN STREET LENDING PROGRAM for Small and Mid-Sized Businesses:

The term "business" is not defined under this section, so it is unclear if this will include nonprofits.

**TROUBLED DEBT RESTRUCTURING (TDR): Allows banks to renegotiate loan terms with coronavirus impacted borrowers** (companies and individuals) **without having to hold extra capital**, as long as the new terms are needed as a result of the coronavirus outbreak (and not pending precrisis for other solvency reasons).

#### How can I apply?

**To Be Determined:** The types of assistance that will be available and who qualifies will be determined through the programs and facilities established by the Treasury and Federal Reserve, in addition to any private lenders providing loans enabled through the Federal Reserve.

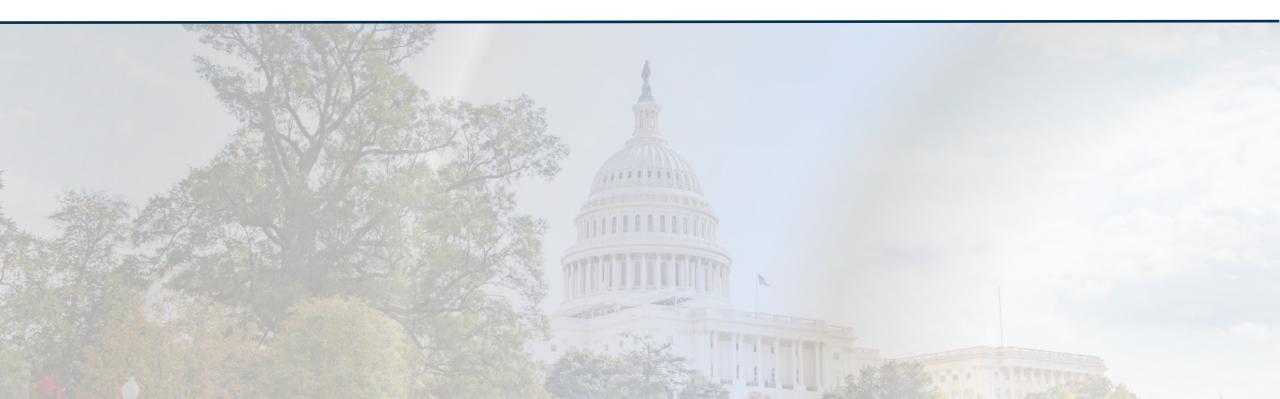
Assistance will not be provided on a company specific basis, but will be made broadly available. Instead, Treasury and the Federal Reserve must establish programs with terms and the ability to borrow on an industry basis or covering a broad swath of the economy.

Application procedures are forthcoming: Once a program is established, Treasury and the Federal Reserve will likely publish application procedures and minimum requirements for loans and other assistance made available under the programs. For lending enabled through financial institutions, additional application procedures will be provided by the bank.

## **ALL SMALL BUSINESS LOAN OPTIONS**

- **★ SBA Coronavirus Economic Injury Disaster Loans**
- **★** SBA **Express Loans**
- ★ SBA **Business Interruption Loans** (Paycheck Protection Program)
- **★ Debt Relief & Loan Forgiveness** for Small Businesses

## SBA CORONAVIRUS ECONOMIC INJURY DISASTER LOANS



### WHO IS ELIGIBLE?

- ★ SELF-EMPLOYED INDIVIDUALS that have documented evidence of their income, expenses, and payroll tax filings (as reported on IRS Form 1099-MISC).
- ★ SMALL BUSINESSES THAT HAVE 500 OR LESS EMPLOYEES, with some exceptions.
- **COOPERATIVES** with 500 employees or less and small agricultural cooperatives.
- ANY NON-PROFIT ORGANIZATION that is tax exempt under Section 501(c) of the tax code.
- EMPLOYEE STOCK OWNERSHIP PLANS with 500 or employees or less.

#### **ADDITIONAL ELIGIBILTY:**

Borrowers must have been in business on Jan 31, 2020.

**Collateral is required for all loans over \$25,000**, but applicants will not be denied for lack of collateral. In such an instance, the SBA will require the borrower to pledge what is available.

Borrowers do not have to be in business for more than a year, prove they can't find credit elsewhere, provide a personal guarantee for loans of \$200,000 or less, or submit a tax return or tax transcript.

Borrowers can be approved based on credit score alone.

# What kind of financial assistance is provided?

- The assistance is provided through a GRANT AND SUBSIDIZED LOAN through SBA, available until December 31, 2020.
- The **INTEREST RATE** is capped at 4%, but normally 3.75% for businesses and 2.75% for non-profit organizations.
- Loan terms are on a case-by-case basis: The term of the loan is determined on a case-by-case basis, based upon each borrower's ability to repay, but with a max term of 30 years.
- Governors do not have to request relief for businesses and organizations in their states to have them qualify.
   All states and territories are deemed to qualify.

## What can the loan be used for?

PAYROLL and OPERATING EXPENSES: The grants and loans can be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the coronavirus outbreak, including:

- Providing **paid sick leave** to employees unable to work because of the coronavirus outbreak
- Maintaining payroll to retain employees during business disruptions or slowdowns
- Meeting any increased cost of materials due to interrupted supply chains
- Making rent or mortgage payments
- Repaying obligations that cannot be met due to revenue loss.

## The loan cannot be used to...

- Refinance existing debt
- Make payments on loans owned by another federal agency (including the SBA) or Small Business Investment Company
- Pay any federal, state or local penalty, criminal fine, or civil fine
- Repair physical damage
- Pay dividends or other disbursements to owners, partners, officers or stockholders, except for reasonable compensations directly related.

## How much is it for?

#### **MAXIMUM LOAN AMOUNT** is \$2 million

Loss of anticipated profits or a decline in sales alone is not considered "substantial economic injury."

the amount of ordinary and necessary expenses the borrower cannot cover due to the coronavirus outbreak.

**Grants of up to \$10,000 is available within three days,** regardless of approval.

A cash advance (grant) of the loan, up to \$10,000, can be provided to the borrower upon request. The grant is provided regardless of whether the borrower is ultimately approved for the loan and does not have to be repaid.

#### How can I apply?

Once regulations are issued providing for the new loans, borrowers can apply online for an SBA disaster assistance loan.

Borrowers can also contact the SBA disaster assistance customer service center

1-800-659-2955 (TTY: 1-800-877-8339) or

disastercustomerservice@sba.gov

## SBA BUSINESS INTERRUPTION LOANS

(Paycheck Protection Program)



### WHO IS ELIGIBLE?

- SELF-EMPLOYED INDIVIDUALS that have documented evidence of their income, expenses, and payroll tax filings (as reported on IRS Form 1099-MISC).
- SMALL BUSINESSES THAT HAVE 500 OR LESS EMPLOYEES, including tribe-owned businesses.
- FRANCHISES and certain SMALL BUSINESSES (according to NAICS Code 72) with multiple locations, that have 500 or less total employees, but less than 500 employees at each physical location.
- NON-PROFIT ORGANIZATIONS that are tax exempt under <u>Section</u> 501(c)(3) and 501 (c) 19 of the tax code and have 500 or less total employees.

#### THE BORROWER MUST CERTIFY THAT:

The current economic conditions necessitate the loan

The funds will be used to retain workers and maintain wages, or make mortgage, lease, and utility payments

The borrower did not get an SBA 7(a) loan or another interruption loan for the same purpose or has one pending.

# What kind of financial assistance is provided?

## Loans will be OFFERED THROUGH LOCAL BANKS and CREDIT UNIONS

A portion of the loan can be **FORGIVEN TAX FREE** (more below).

**Loan repayment is deferred for at least six months**, but no more than one year. The exact amount of deferment may depend on the lender or SBA regulations.

**INTEREST RATE** is capped at 4%.

Borrowers do not have to pay any loan fees, prove they can't find credit elsewhere, provide collateral or a personal guarantee, or pay a penalty for prepayment.

The loan can also be used to refinance an SBA Coronavirus Disaster Loan.

## What is eligible for LOAN FORGIVENESS?

**Up to 8 WEEKS OF PAYROLL** (including additional wages to tipped employees) **and certain OPERATING COSTS** (mortgage debt interest, rent, and utilities)

**PROCESS**: Borrowers **must submit an application** to the lender, with documentation verifying:

- The number of full-time employees on payroll and their pay rates
- Federal payroll tax filings
- State income tax, payroll tax, and unemployment insurance filings
- Mortgage, rent, and utility payments

Loan forgiveness requests must be approved or denied by lender within 60 days.

Amount of loan forgiveness may be reduced.

## What can the loan be used for?

#### **PAYROLL, BENEFITS and OPERATING EXPENSES**

- payroll costs
- group healthcare benefits
- paid leave
- insurance premiums
- debt interest
- **mortgage interest** (but not prepayments), rent, and utilities.

There's a safe harbor for the partners and shareholders of a company that fails to pay back a loan, ensuring they cannot be held liable for default if the company uses the loan for those primary purposes.

The loan can also be used for anything a regular 7(a) loan can be used for.

## How much is it for?

#### MAXIMUM LOAN AMOUNT Loan amount can be

250% of "average monthly costs", but capped at \$10 million

"Average total monthly cost" is based on the average costs over the previous 12 months from the date the loan is made. Period differs for seasonal and new businesses.

#### 2.5X the "average total monthly cost" of

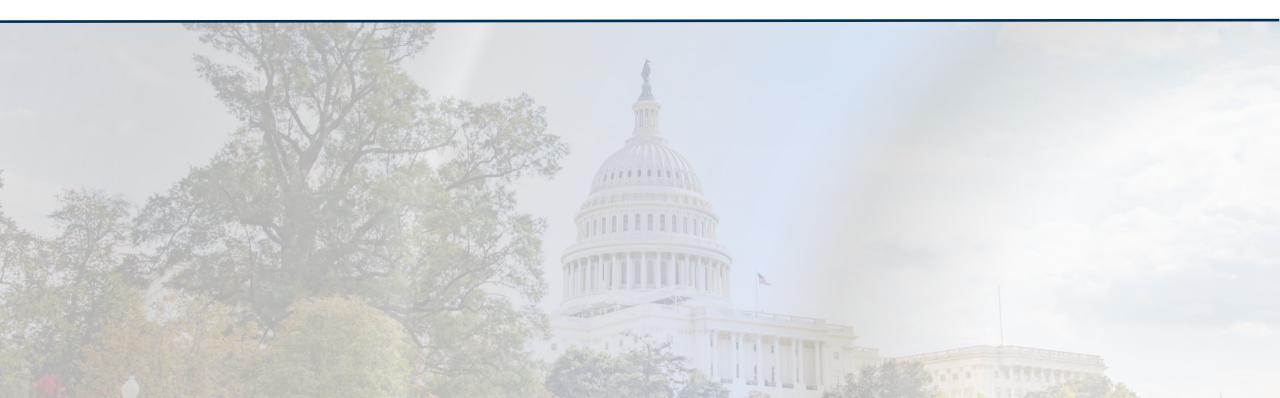
- employee compensation (including paid family and sick leave),
- employee severance
- group health care benefits (including premiums)
- retirement benefits
- state and local payroll taxes
- compensation to any independent contractor paid less than \$100,000 per year
- any outstanding balance on an SBA Coronavirus Disaster Loan (for the purpose of refinancing the Disaster Loan).

#### How can I apply?

**To be determined:** Once regulations are issued providing for the new loans, borrowers can apply for a loan from an existing authorized SBA lender, or a lender specially authorized by the Treasury Department to provide interruption loans.

To find an authorized lender near you, contact your nearest **SBA District Office**.

## SBA EXPRESS LOANS



## WHO IS ELIGIBLE (AND WHO IS NOT)



**SMALL BUSINESSES** that meet SBA size standards

#### **SPECIFIC INELIGIBILITY**

- nonprofit organizations
- casinos
- government-owned corporations
- consumer and marketing cooperatives
- firms involved in lending activities
- real estate investment companies (businesses that acquire real estate to occupy it are eligible)
- firms involved in speculative investments.

#### **ADDITIONAL ELIGIBILTY:**

Businesses must have been in existence for at least two years.

Businesses must be able to show a need for financing and the ability to repay (no previous delinquencies on government loans) and must show that the funds will be used for a legitimate business purpose.

Lenders are not required to take collateral for loans of \$25,000 or less, but may require collateral for loans above \$25,000.

# What kind of financial assistance is provided?

### **Express loans will be offered through LOCAL BANKS**

The assistance is provided through a subsidized loan through an authorized lender—provided at the discretion of the lender under the supervision of the SBA.

Loans must be approved or denied within 36 hours: Under the SBA Express Program, the SBA responds to a lender's request for approval of a loan within 36 hours.

**GUARANTEE FEE APPLIES:** Most borrowers have to pay a guarantee fee.

**VETERAN OWNED BUSINESSES** can receive a waiver of guarantee fees

# How much is it for?

### MAXIMUM EXPRESS LOAN AMOUNT is Capped at \$1 million

Borrowers can receive up to \$1 million per loan, with a max interest rate of 11.5% for loans of \$50,000 or less, and 9.5% for loans above \$50,000.

**REVOLVING LINE OF CREDIT available**: Loans can be given in the form of revolving lines of credit, with **a max term of seven years**.

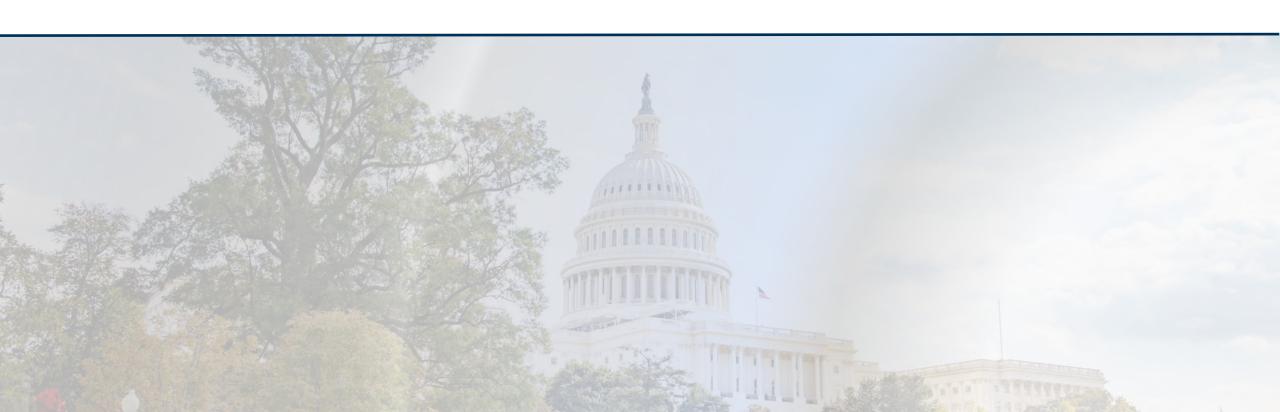
**Loan terms are on a case-by-case basis:** The term of the loan is determined on a case-by-case basis, based upon each borrower's ability to repay, but with a **MAX TERM of 25 years**.

# How can I apply?

Borrowers can apply for a loan from an existing authorized SBA lender.

To find an authorized lender near you, contact your nearest **SBA District Office**.

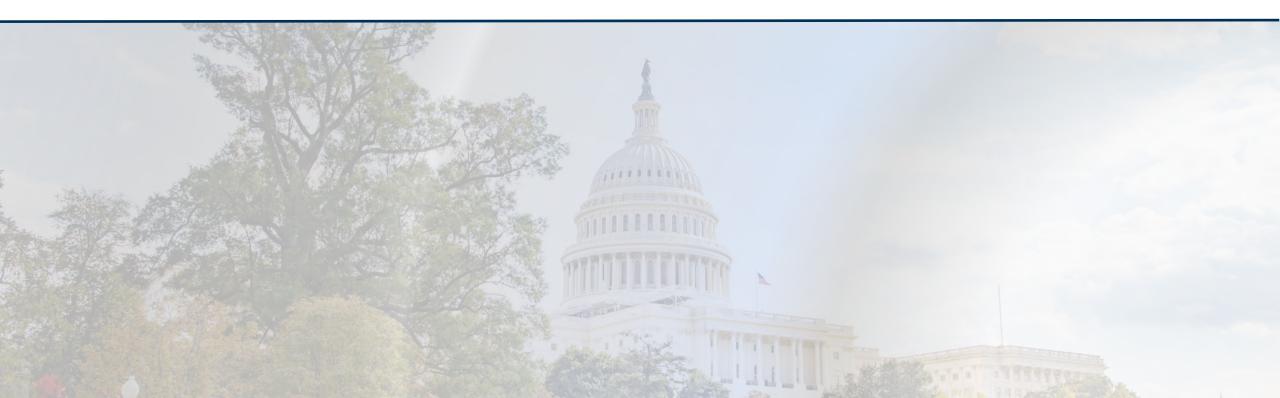
# DEBT RELIEF FOR SMALL BUSINESSES



Under this new program, SBA will pay all principal, interest and fees for six months on existing loans within 30 days of CARES Act enactment.

- ★ WHO IS ELIGIBLE? Any small business holding an existing SBA 7(a) loan or any new 7(a) loan made within six months of CARES Act enforcement; small businesses participating in the Community Advantage Pilot Program, SBA Microloan Program or section 504 loans
- This debt relief **DOES NOT** apply to SBA interruption loans made under the new **Paycheck Protection Program**
- There is **NO CAP** on the amount of payments covered—relief will vary from loan to loan
- TO BE DETERMINED: Whether this payment will happen automatically or upon request

# TAX RELIEF



# WHO IS ELIGIBLE?

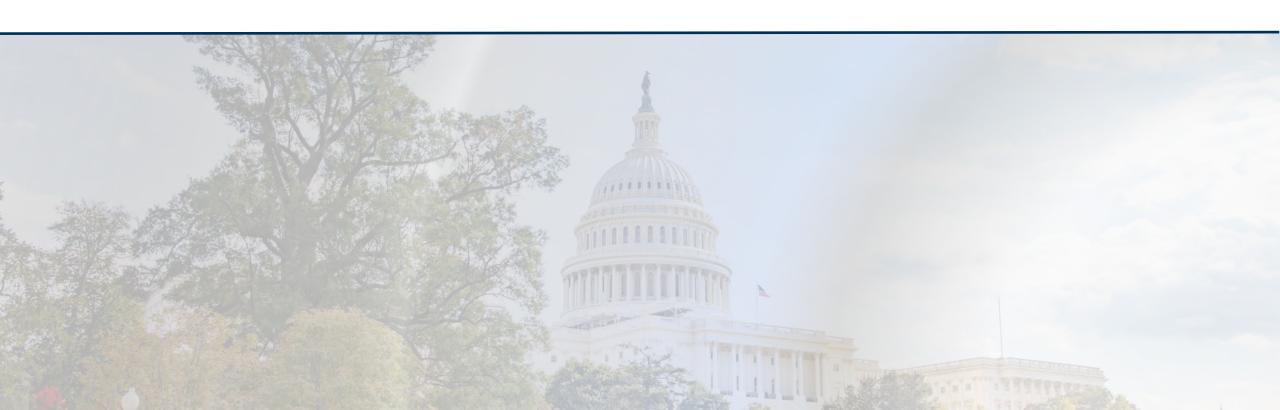
### **★** EMPLOYEE RETENTION TAX CREDIT

- Available to any non-governmental employer
- Must have been forced to fully or partially shut down due to a government order OR experienced more than 50% decline in gross revenue in a quarter this year (compared to same quarter last year)
- **Not eligible**: State agencies, local agencies, subdivisions of states, instruments of state or local government
- Refundable tax credit worth 50% of eligible employee compensation (up to \$5,000 per employee)
- Families First Coronavirus Response Act: These benefits cannot be included in employee compensation calculation

### **★** DEFERRAL OF EMPLOYER PAYROLL TAXES

- Available to all employers and self-employed individuals, including governmental entities
- Not eligible: Anyone who has SBA interruption loans forgiven under the Payroll Protection Program
- Can only be claimed by direct employers, not third-party payroll administrators or Professional Employer Organizations
- **Defer the employer portion of Social Security taxes** owed this year to 2021 (50% deferred taxes must be paid) and 2022 (remaining balance must be paid)

# FEDERAL GRANTS for AIRPORTS and COMMUNITY DEVELOPMENT BLOCK GRANTS



# WHO IS ELIGIBLE?

# **→ PUBLIC or PRIVATE OWNERS of PUBLIC-USE AIRPORTS**

**At least \$7.4 billion** in funding will be distributed according to the following formula:

**50%** will be allocated among all commercial airports based on an airport's 2018 enplanements.

**50%** will be targeted to help airports with larger debt based on an airport's FY 2018 debt service and its unrestricted capital reserves.

### **COMMUNITY DEVELOPMENT BLOCK GRANTS**

**\$5 billion in additional funding** for the (CDBG) program to help states and local governments

Up to **\$2 billion** will be allocated to FY 2020 CDBG grant recipients. These funds will be disbursed within 30 days of the law's enactment.

**\$1 billion will be granted to states.** These funds will be disbursed within 45 days of enactment. States and localities may use funds to cover coronavirus-related costs regardless of when those costs were incurred.

At least 70% of CDBG funds must be used for activities that **benefit low- and moderate-income people.** 

# QUESTIONS?



#### The Small Business Owner's Guide to the CARES Act

The programs and initiatives in the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* that was just passed by Congress are intended to assist business owners with whatever needs they have right now. When implemented, there will be many new resources available for small businesses, as well as certain non-profits and other employers. This guide provides information about the major programs and initiatives that will soon be available from the Small Business Administration (SBA) to address these needs, as well as some additional tax provisions that are outside the scope of SBA.

To keep up to date on when these programs become available, please stay in contact with your local Small Business Administration (SBA) District Office, which you can locate <a href="here">here</a>.

**Struggling to get started?** The following questions might help point you in the right direction. Do you need:

- Capital to cover the cost of retaining employees? Then the <a href="Paycheck">Paycheck</a>
  <a href="Protection Program">Protection Program</a> might be right for you.
- A quick infusion of a smaller amount of cash to cover you right now? You might want to look into an Emergency Economic Injury Grant.
- To ease your fears about keeping up with payments on your current or potential SBA loan? The Small Business Debt Relief Program could help.
- Just some quality, free counseling to help you navigate this uncertain economic time? The <u>resource partners</u> might be your best bet.

Already know what resources you're looking for? The table of contents can direct you to more information about the program or assistance product you need.

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#### Paycheck Protection Program (PPP) Loans

The program would provide cash-flow assistance through 100 percent federally guaranteed loans to employers who maintain their payroll during this emergency. If employers maintain their payroll, the loans would be forgiven, which would help workers remain employed, as well as help affected small businesses and our economy snap-back quicker after the crisis. PPP has a host of attractive features, such as forgiveness of up to 8 weeks of payroll based on employee retention and salary levels, no SBA fees, and at least six months of deferral with maximum deferrals of up to a year. Small businesses and other eligible entities will be able to apply if they were harmed by COVID-19 between February 15, 2020 and June 30, 2020. This program would be retroactive to February 15, 2020, in order to help bring workers who may have already been laid off back onto payrolls. Loans are available through June 30, 2020.

#### FREQUENTLY ASKED QUESTIONS

#### QUESTION: What types of businesses and entities are eligible for a PPP loan?

Answer:

- Businesses and entities must have been in operation on February 15, 2020.
- Small business concerns, as well as any business concern, a 501(c)(3) nonprofit organization, a 501(c)(19) veterans organization, or Tribal business concern described in section 31(b)(2)(C) that has fewer than 500 employees, or the applicable <u>size standard</u> in number of employees for the North American Industry Classification System (NAICS) industry as provided by SBA, if higher.
- Individuals who operate a sole proprietorship or as an independent contractor and eligible self-employed individuals.
- Any business concern that employs not more than 500 employees per physical location
  of the business concern and that is assigned a NAICS code beginning with 72, for which
  the affiliation rules are waived.
- Affiliation rules are also waived for any business concern operating as a franchise that is assigned a franchise identifier code by the Administration, and company that receives funding through a Small Business Investment Company.

#### QUESTION: What are affiliation rules?

Answer:

Affiliation rules become important when SBA is deciding whether a business's affiliations preclude them from being considered "small." Generally, affiliation exists when one business controls or has the power to control another or when a third party (or parties) controls or has the power to control both businesses. Please see <a href="this resource">this resource</a> for more on these rules and how they can impact your business's eligibility.

#### QUESTION: What types of non-profits are eligible?

Answer:

In general, 501(c)(3) and 501(c)(19) non-profits with 500 employees or fewer as most non-profit SBA size standards are based on employee count, not revenue. You can check <u>here</u>.

#### QUESTION: How is the loan size determined?

Answer:

Depending on your business's situation, the loan size will be calculated in different ways (see below). The maximum loan size is always **\$10 million**.

- If you were in business February 15, 2019 June 30, 2019: Your max loan is equal to 250 percent of your average monthly payroll costs during that time period. If your business employs seasonal workers, you can opt to choose March 1, 2019 as your time period start date.
- If you were <u>not</u> in business between February 15, 2019 June 30, 2019: Your max loan is equal to 250 percent of your average monthly payroll costs between January 1, 2020 and February 29, 2020.
- If you took out an Economic Injury Disaster Loan (EIDL) between February 15, 2020 and June 30, 2020 and you want to refinance that loan into a PPP loan, you would add the outstanding loan amount to the payroll sum.

#### QUESTION: What costs are eligible for payroll?

Answer:

- Compensation (salary, wage, commission, or similar compensation, payment of cash tip or equivalent)
- Payment for vacation, parental, family, medical, or sick leave
- Allowance for dismissal or separation
- Payment required for the provisions of group health care benefits, including insurance premiums
- Payment of any retirement benefit
- Payment of State or local tax assessed on the compensation of employees

#### QUESTION: What costs are not eligible for payroll?

Answer:

- Employee/owner compensation over \$100,000
- Taxes imposed or withheld under chapters 21, 22, and 24 of the IRS code
- Compensation of employees whose principal place of residence is outside of the U.S.
- Qualified sick and family leave for which a credit is allowed under sections 7001 and 7003 of the Families First Coronavirus Response Act

#### QUESTION: What are allowable uses of loan proceeds?

Answer:

- Payroll costs (as noted above)
- Costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums
- Employee salaries, commissions, or similar compensations (see exclusions above)
- Payments of interest on any mortgage obligation (which shall not include any prepayment of or payment of principal on a mortgage obligation)
- Rent (including rent under a lease agreement)
- Utilities
- Interest on any other debt obligations that were incurred before the covered period

#### QUESTION: What are the loan term, interest rate, and fees?

Answer: For any amounts not forgiven, the maximum term is 10 years, the maximum interest rate is

4 percent, zero loan fees, zero prepayment fee (SBA will establish application fees caps for

lenders that charge).

#### QUESTION: How is the forgiveness amount calculated?

Answer:

Forgiveness on a covered loan is equal to the sum of the following payroll costs incurred during the covered 8 week period compared to the previous year or time period, proportionate to maintaining employees and wages (excluding compensation over \$100,000):

 Payroll costs plus any payment of interest on any covered mortgage obligation (not including any prepayment or payment of principal on a covered mortgage obligation) plus any payment on any covered rent obligation plus and any covered utility payment.

#### QUESTION: How do I get forgiveness on my PPP loan?

Answer:

You must apply through your lender for forgiveness on your loan. In this application, you must include:

- Documentation verifying the number of employees on payroll and pay rates, including IRS payroll tax filings and State income, payroll and unemployment insurance filings.
- Documentation verifying payments on covered mortgage obligations, lease obligations, and utilities.
- Certification from a representative of your business or organization that is authorized to certify that the documentation provided is true and that the amount that is being forgiven was used in accordance with the program's guidelines for use.

#### QUESTION: What happens after the forgiveness period?

Answer:

Any loan amounts not forgiven are carried forward as an ongoing loan with max terms of 10 years, at a maximum interest rate of 4%. Principal and interest will continue to be deferred, for a total of 6 months to a year after disbursement of the loan. The clock does not start again.

#### QUESTION: Can I get more than one PPP loan?

Answer:

No, an entity is limited to one PPP loan. Each loan will be registered under a Taxpayer Identification Number at SBA to prevent multiple loans to the same entity.

#### QUESTION: Where should I go to get a PPP loan from?

Answer:

All current SBA 7(a) lenders (see more about 7(a) here) are eligible lenders for PPP. The Department of Treasury will also be in charge of authorizing new lenders, including nonbank lenders, to help meet the needs of small business owners.

QUESTION: How does the PPP loan coordinate with SBA's existing loans?

Answer: Borrowers may apply for PPP loans and other SBA financial assistance, including Economic

Injury Disaster Loans (EIDLs), 7(a) loans, 504 loans, and microloans, and also receive investment capital from <u>Small Business Investment Corporations</u> (SBICs). However, you cannot use your PPP loan for the same purpose as your other SBA loan(s). For example, if you use your PPP to cover payroll for the 8-week covered period, you cannot use a different SBA loan product for payroll for those same costs in that period, although you could use it

for payroll not during that period or for different workers.

QUESTION: How does the PPP loan work with the temporary Emergency Economic Injury Grants and

the Small Business Debt Relief program?

Answer: <u>Emergency Economic Injury Grant</u> and Economic Injury Disaster Loan (EIDL) recipients

and those who receive loan payment relief through the <u>Small Business Debt Relief</u>
<u>Program</u> may apply for and take out a PPP loan as long as there is no duplication in the

uses of funds. Refer to those sections for more information.

#### **Small Business Debt Relief Program**

This program will provide immediate relief to small businesses with non-disaster SBA loans, in particular 7(a), 504, and microloans. Under it, SBA will cover all loan payments on these SBA loans, including principal, interest, and fees, for six months. This relief will also be available to new borrowers who take out loans within six months of the President signing the bill into law.

FREQUENTLY ASKED QUESTIONS		
QUESTION: Answer:	Which SBA loans are eligible for debt relief under this program? 7(a) loans not made under the Paycheck Protection Program (PPP), 504 loans, and microloans. Disaster loans are not eligible (see p. 7 for more information on these).	
QUESTION: Answer:	How does debt relief under this program work with a PPP loan?  Borrowers may separately apply for and take out a PPP loan, but debt relief under this program will not apply to a PPP loan.	
QUESTION: Answer:	How do I know if I'm eligible for a 7(a), 504, or microloan? In general, businesses must meet size standards, be based in the U.S., be able to repay, and have a sound business purpose. To check whether your business is considered small, you will need your business's 6-digit North American Industry Classification System (NAICS) code and 3-year average annual revenue. Each program has different requirements, see <a href="https://www.sba.gov/funding-programs/loans">https://www.sba.gov/funding-programs/loans</a> for more details.	
QUESTION: Answer:	What is a 7(a) loan and how do I apply?  7(a) loans are an affordable loan product of up to \$5 million for borrowers who lack credit elsewhere and need access to versatile financing, providing short-term or long-term working capital and to purchase an existing business, refinance current business debt, or purchase furniture, fixtures and supplies. In the program, banks share a portion of the risk of the loan with SBA. There are many different types of 7(a) loans, you can visit this site to find the one that's best for you. You apply for a 7(a) loan with a bank or a mission-based lender. SBA has a free referral service tool called Lender Match to help find a lender near you.	
QUESTION: Answer:	What is a 504 loan and how do I apply?  The 504 Loan Program provides loans of up to \$5.5 million to approved small businesses with long-term, fixed-rate financing used to acquire fixed assets for expansion or modernization. It is a good option if you need to purchase real estate, buildings, and machinery. You apply through a Certified Development Company, which is a nonprofit corporation that promotes economic development.  SBA has a free referral service tool called Lender Match to help find a lender near you.	
QUESTION: Answer:	What is a microloan and how do I apply?  The Microloan Program provides loans up to \$50,000 to help small businesses and certain not-for-profit childcare centers to start up and expand. The average microloan is about \$13,000. These loans are delivered through mission-based lenders who are also able to provide business counseling. SBA has a free referral service tool called Lender Match to help find a microlender near you.	
QUESTION: Answer:	I am unfamiliar with SBA loans, can anyone help me apply?  Yes, SBA resource partners are available to help guide you through the loan application process. You can find your nearest Small Business Development Center (SBDC) or Women's Business Center <a href="here">here</a> .	

#### **Economic Injury Disaster Loans & Emergency Economic Injury Grants**

These grants provide an emergency advance of up to \$10,000 to small businesses and private non-profits harmed by COVID-19 within three days of applying for an SBA Economic Injury Disaster Loan (EIDL). To access the advance, you first apply for an EIDL and then request the advance. **The advance does not need to be repaid under any circumstance**, and may be used to keep employees on payroll, to pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments.

#### **FREQUENTLY ASKED QUESTIONS**

QUESTION: Are businesses and private non-profits in my state eligible for an EIDL related to COVID-

19?

Answer: Yes, those suffering substantial economic injury in all 50 states, DC, and the territories may

apply for an EIDL.

QUESTION: What is an EIDL and what is it used for?

Answer: EIDLs are lower interest loans of up to \$2 million, with principal and interest deferment at

the Administrator's discretion, that are available to pay for expenses that could have been

met had the disaster not occurred, including payroll and other operating expenses.

QUESTION: Who is eligible for an EIDL?

Answer: Those eligible are the following with 500 or fewer employees:

- Sole proprietorships, with or without employees
- Independent contractors
- Cooperatives and employee owned businesses
- Tribal small businesses

Small business concerns and small agricultural cooperatives that meet the applicable size standard for SBA are also eligible, as well as most private non-profits of **any** size. See below for more info on size standards.

QUESTION: My private non-profit is not a 501(c)(3). Is it still eligible for an EIDL and a grant?

Answer:

Yes, if you are a private non-profit with an effective ruling letter from the IRS, granting tax exemption under sections 501(c), (d), or (e) of the Internal Revenue Code of 1954, <u>or</u> if you can provide satisfactory evidence from the State that the non-revenue producing organization or entity is a non-profit one organized or doing business under State law. However, a recipient that is principally engaged in teaching, instructing, counseling, or indoctrinating religion or religious beliefs, whether in a religious or secular setting, or primarily engaged in political or lobbying activities is not eligible to receive an EIDL. If you are uncertain whether you qualify, please consult with legal counsel to determine whether your organization meets program criteria.

QUESTION: Who is eligible for an Emergency Economic Injury Grant?

Answer Those eligible for an EIDL and who have been in operation since **January 31, 2020**, when

the public health crisis was announced.

QUESTION: How long are Emergency Economic Injury Grants available? Answer: January 31, 2020 – December 31, 2020. The grants are backdated to January 31, 2020 to allow those who have already applied for EIDLs to be eligible to also receive a grant. **QUESTION:** If I get an EIDL and/or an Emergency Economic Injury Grant, can I get a PPP loan? Answer: Whether you've already received an EIDL unrelated to COVID-19 or you receive a COVID-19 related EIDL and/or Emergency Grant between January 31, 2020 and June 30, 2020, you may also apply for a PPP loan. If you ultimately receive a PPP loan or refinance an EIDL into a PPP loan, any advance amount received under the Emergency Economic Injury Grant Program would be subtracted from the amount forgiven in the PPP. However, you cannot use your EIDL for the same purpose as your PPP loan. For example, if you use your EIDL to cover payroll for certain workers in April, you cannot use PPP for payroll for those same workers in April, although you could use it for payroll in March or for different workers in April. **QUESTION:** How do I know if my business is a small business? Please visit https://www.sba.gov/size-standards/ to find out if your business meets SBA's Answer: small business size standards. You will need the 6-digit North American Industry Classification Code for your business and your business's 3-year average annual revenue. **QUESTION:** How do I apply for an economic injury disaster loan? To apply for an EIDL online, please visit https://disasterloan.sba.gov/ela/. Your SBA District Answer: Office is an important resource when applying for SBA assistance. **QUESTION:** I am unfamiliar with the EIDL process, can anyone help me apply? Answer: Yes, SBA resource partners are available to help guide you through the EIDL application process. You can find the nearest Small Business Development Center (SBDC), Women's Business Center, or SCORE mentorship chapter at <a href="https://www.sba.gov/local-">https://www.sba.gov/local-</a>

assistance/find/.

#### **Counseling & Training**

If you, like many small business owners, need a business counselor to help guide you through this uncertain time, you can turn to your local Small Business Development Center (SBDC), Women's Business Center (WBC), or SCORE mentorship chapter. These resource partners, and the associations that represent them, will receive additional funds to expand their reach and better support small business owners with counseling and up-to-date information regarding COVID-19. There will soon be a joint platform that consolidates information and resources related to COVID-19 in order to provide consistent, timely information to small businesses. To find a local resource partner, visit <a href="https://www.sba.gov/local-assistance/find/">https://www.sba.gov/local-assistance/find/</a>.

In addition, the Minority Business Development Agency's Business Centers (MBDCs), which cater to minority business enterprises of all sizes, will also receive funding to hire staff and provide programming to help their clients respond to COVID-19. Not every state has a MBDC. To find out if there is one that services your area, visit this site.

#### **FREQUENTLY ASKED QUESTIONS**

QUESTION: Do I have to pay for counseling and training through SBDCs, WBCs, and MBDCs?

Answer: Counseling is free and training is low-cost with these partners. The additional funds that

Congress provided will help keep this possible. Mentorship through SCORE is always free.

QUESTION: What is a SBDC?

Answer: SBDCs are a national network of nearly 1,000 centers that are located at leading universities,

colleges, state economic development agencies and private partners. They provide counseling and training to new and existing businesses. Each state has a lead center that coordinates services specifically for that state, which you can find by clicking the link above.

To find out more about SBDCs, visit <a href="https://americassbdc.org/about-us/">https://americassbdc.org/about-us/</a>.

QUESTION: What is a WBC; is it only for women?

Answer: WBCs are a national network of more than 100 centers that offer one-on-one counseling, training, networking, workshops, technical assistance and mentoring to entrepreneurs on

numerous business development topics. In addition to women, WBCs are mandated to serve the needs of underserved entrepreneurs, including low-income entrepreneurs. They often offer flexible hours to meet the needs of their diverse clientele. To find out more about

WBCs, visit <a href="https://www.awbc.org/">https://www.awbc.org/</a>.

QUESTION: What is SCORE?

Answer SCORE provides free, confidential business advice through our volunteer network of 10,000+

business experts. You can meet with a mentor online. Find out more <u>here</u>.

QUESTION: Who do MBDCs serve?

Answer: MBDCs are a good option for minority-owned businesses (including those owned by Black,

Hispanic, Asian American/Pacific Islander, and American Indian business owners), especially those seeking to penetrate new markets — domestic & global — and grow in size and scale.

#### **Contracting**

If you are a government contractor, there are a number of ways that Congress has provided relief and protection for your business. Agencies will be able to modify terms and conditions of a contract and to reimburse contractors at a billing rate of up to 40 hours per week of any paid leave, including sick leave. The contractors eligible are those whose employees or subcontractors cannot perform work on site and cannot telework due to federal facilities closing because of COVID-19.

If you need additional assistance, please reach out to your <u>local</u> Small Business Development Center, Women's Business Center, SCORE chapter, or SBA District Office. You should also work with your agency's contracting officer, as well as the agency's Office of Small and Disadvantaged Business Utilization (OSDBU).

#### **Small Business Tax Provisions**

## **Employee Retention Credit for Employers Subject to Closure or Experiencing Economic Hardship**

This provision would provide a refundable payroll tax credit for 50 percent of wages paid by eligible employers to certain employees during the COVID-19 crisis. The credit is available to employers, including non-profits, whose operations have been fully or partially suspended as a result of a government order limiting commerce, travel or group meetings. The credit is also provided to employers who have experienced a greater than 50 percent reduction in quarterly receipts, measured on a year-over-year basis.

Wages of employees who are furloughed or face reduced hours as a result of their employer's closure or economic hardship are eligible for the credit. For employers with 100 or fewer full-time employees, all employee wages are eligible, regardless of whether an employee is furloughed. The credit is provided for wages and compensation, including health benefits, and is provided for the first \$10,000 in wages and compensation paid by the employer to an eligible employee. Wages do not include those taken into account for purposes of the payroll credits for required paid sick leave or required paid family leave, nor for wages taken into account for the employer credit for paid family and medical leave (IRC sec. 45S).

 The credit is not available to employers receiving assistance through the <u>Paycheck</u> <u>Protection Program</u>. The credit is provided through December 31, 2020.

#### **Delay of Payment of Employer Payroll Taxes**

This provision would allow taxpayers to defer paying the employer portion of certain payroll taxes through the end of 2020, with all 2020 deferred amounts due in two equal installments, one at the end of 2021, the other at the end of 2022. Payroll taxes that can be deferred include the employer portion of FICA taxes, the employer and employee representative portion of Railroad Retirement taxes (that are attributable to the employer FICA rate), and half of SECA tax liability.

 Deferral is not provided to employers receiving assistance through the <u>Paycheck</u> <u>Protection Program</u>.