

UNDERSTANDING THE CARES ACT

APRIL 3, 2020

PRESENTED BY

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WEBINAR AGENDA

GOVERNMENT ASSISTANCE UNDER THE CARES ACT

- FOR BUSINESSES

- ECONOMIC INJURY DISASTER LOAN (EIDL)
- PAYCHECK PROTECTION PROGRAM* (PPP)
- ECONOMIC INJURY GRANTS (EEIG)
- EMPLOYEE RETENTION TAX CREDIT
- SICK LEAVE BENEFITS/CREDIT
- EMPLOYER PAYROLL TAX DEFERRAL (EPTD)
- NET OPERATING LOSSES
- OTHER PROVISIONS

- FOR INDIVIDUALS AND EMPLOYEES

- CASH REBATE
- FEDERAL STUDENT LOANS
- TAX FILING DEADLINE
- CHARITABLE CONTRIBUTIONS
- UNEMPLOYMENT BENEFITS
- OTHER MISCELLANEOUS BENEFITS



BUSINESS PROVISIONS

THE CARES ACT

ENHANCED SBA ECONOMIC INJURY DISASTER LOAN (EIDL)

- THE CARES ACT AUTHORIZED \$10 BILLION IN SMALL BUSINESS LOANS AS PART OF THE SBA'S EIDL PROGRAM
- SBA'S ECONOMIC INJURY DISASTER LOANS OFFER UP TO \$2 MILLION IN ASSISTANCE.
- FOR ANY LOAN MADE UNDER THIS PROGRAM, NO PERSONAL GUARANTEE WILL BE REQUIRED ON LOANS UP TO \$200,000
- EIDL MAY BE USED TO PAY FIXED DEBTS, PAYROLL, ACCOUNTS PAYABLE AND OTHER BILLS THAT CAN'T BE PAID BECAUSE OF THE DISASTER'S IMPACT.
- THE INTEREST RATE IS CAPPED AT 3.75% FOR SMALL BUSINESSES WITHOUT CREDIT AVAILABLE ELSEWHERE.
- THE SBA OFFERS LOANS WITH LONG-TERM REPAYMENTS IN ORDER TO KEEP PAYMENTS AFFORDABLE, UP TO A MAXIMUM OF 30 YEARS. TERMS ARE DETERMINED ON A CASE-BY-CASE BASIS, BASED UPON EACH BORROWER'S ABILITY TO REPAY
- THE INTEREST RATE FOR NON-PROFITS IS 2.75%.
- MANY FORMS TO FILL PLEASE FOCUS ON: SBA FORM 1368
 - THE LOANS ARE FOR **WORKING CAPITAL WHICH INCLUDES FIXED DEBTS, PAYROLL, ACCOUNTS PAYABLE, AND OTHER BILLS THAT CAN'T BE PAID DUE TO THE DISASTER'S IMPACT**
- APPLY [HERE. HTTPS://WWW.SBA.GOV/PAGE/DISASTER-LOAN-APPLICATIONS](https://www.sba.gov/page/disaster-loan-applications)
- SBA DISASTER LOAN HELPLINE : 1-800-659-2955
- [HTTPS://MILLERMUSMAR.COM/NEWSLETTER/THE-THREE-STEP-PROCESS-DISASTER-LOANS/](https://millermusmar.com/newsletter/the-three-step-process-disaster-loans/)

SBA PAYCHECK PROTECTION PROGRAM* (PPP)

- STARTS TODAY
- THIS PROVIDES:
 - 100% SBA GUARANTEED,
 - LOW INTEREST, (NOT EXCEEDING 4%)
 - UP TO 10-YEAR TERM,
 - NO FEE LOANS
 - OF UP TO \$10 MILLION OR 250% OF THEIR AVERAGE MONTHLY PAYROLL COSTS (ONLY THOSE PAYROLL COSTS INCURRED IN THE ONE-YEAR PERIOD PREDATING THE LOAN)
 - WITH REPAYMENT DEFERRED FOR AT LEAST SIX MONTHS AND
 - **THE OPPORTUNITY FOR LOAN FORGIVENESS!**

PPP ELIGIBILITY

- APPLICANT IS A BUSINESS WITH NOT MORE THAN 500 EMPLOYEES.
- APPLICANT IS AN INDIVIDUAL WHO OPERATES UNDER A SOLE PROPRIETORSHIP, WITH OR WITHOUT EMPLOYEES, OR AS AN INDEPENDENT CONTRACTOR.
- APPLICANT IS A COOPERATIVE WITH NOT MORE THAN 500 EMPLOYEES.
- APPLICANT IS AN EMPLOYEE STOCK OWNERSHIP PLAN (ESOP), AS DEFINED IN 15 U.S.C. 632, WITH NOT MORE THAN 500 EMPLOYEES.
- APPLICANT IS A TRIBAL SMALL BUSINESS CONCERN, AS DESCRIBED IN 15 U.S.C. 657A(B)(2)(C), WITH NOT MORE THAN 500 EMPLOYEES.
- APPLICANT IS A BUSINESS, INCLUDING AN AGRICULTURAL COOPERATIVE, AQUACULTURE ENTERPRISE, NURSERY, OR PRODUCER COOPERATIVE, THAT IS SMALL UNDER SBA SIZE STANDARDS FOUND AT [HTTPS://WWW.SBA.GOV/SIZE-STANDARDS](https://www.sba.gov/size-standards).
- APPLICANT IS A BUSINESS WITH MORE THAN 500 EMPLOYEES THAT IS SMALL UNDER SBA SIZE STANDARDS FOUND AT [HTTPS://WWW.SBA.GOV/SIZE-STANDARDS](https://www.sba.gov/size-standards)
- APPLICANT IS A PRIVATE NON-PROFIT ORGANIZATION THAT IS A NON-GOVERNMENTAL AGENCY OR ENTITY THAT CURRENTLY HAS AN EFFECTIVE RULING LETTER FROM THE IRS GRANTING TAX EXEMPTION UNDER SECTIONS 501(C),(D), OR (E) OF THE INTERNAL REVENUE CODE OF 1954, OR 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, OR A FAITH-BASED ORGANIZATION.

PPP CONTINUED

- THIS INCLUDES RELIGIOUS ENTITIES (MOSQUES/CHURCHES/TEMPLES/SYNAGOGUES) BUT ONLY TO COVER PAYROLL COSTS OF AN ASSOCIATED BUSINESS, LIKE A THRIFT STORE.
- ELIGIBLE ENTITIES WILL BE ABLE TO APPLY IF THEY WERE HARMED BY COVID-19 BETWEEN FEBRUARY 15, 2020 AND JUNE 30, 2020.
- THE PROGRAM WILL 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.
- ALL CURRENT SBA 7(A) LENDERS ARE ELIGIBLE LENDERS FOR THE PAYCHECK PROTECTION PROGRAM. *IN OTHER WORDS, CONTACT YOUR EXISTING BANK TO ACCESS THIS PROGRAM*

AVERAGE MONTHLY PAYROLL COSTS

- **NON-SEASONAL EMPLOYERS:**
- MAXIMUM LOAN = 2.5 X AVERAGE TOTAL MONTHLY PAYROLL COSTS INCURRED DURING THE YEAR PRIOR TO THE LOAN DATE
- **FOR BUSINESSES NOT OPERATIONAL IN 2019:**
- MAXIMUM LOAN = 2.5 X AVERAGE TOTAL MONTHLY PAYROLL COSTS INCURRED FOR JANUARY AND FEBRUARY 2020
- **SEASONAL EMPLOYERS:**
- MAXIMUM LOAN = 2.5 X AVERAGE TOTAL MONTHLY PAYMENTS FOR PAYROLL COSTS FOR THE 12-WEEK PERIOD BEGINNING FEBRUARY 15, 2019 OR MARCH 1, 2019 (DECIDED BY THE LOAN RECIPIENT) AND ENDING JUNE 30, 2019



AVERAGE MONTHLY PAYROLL COSTS INCLUDED COSTS

- **INCLUDED PAYROLL COSTS ARE** {USC SEC. 1102(A)(36)}:
- **FOR EMPLOYERS:** THE SUM OF PAYMENTS OF ANY COMPENSATION WITH RESPECT TO EMPLOYEES THAT IS A:
 - 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,
 - PAYMENT OF ANY RETIREMENT BENEFIT
 - PAYMENT OF STATE OR LOCAL TAX ASSESSED ON THE COMPENSATION OF THE EMPLOYEE
- **FOR SOLE PROPRIETORS, INDEPENDENT CONTRACTORS, AND SELF-EMPLOYED INDIVIDUALS:**
 - THE SUM OF PAYMENTS OF ANY COMPENSATION TO OR INCOME OF A SOLE PROPRIETOR OR INDEPENDENT CONTRACTOR THAT IS A WAGE, COMMISSION, INCOME, NET EARNINGS FROM SELF-EMPLOYMENT, OR SIMILAR COMPENSATION AND THAT IS IN AN AMOUNT THAT IS NOT MORE THAN \$100,000 IN ONE YEAR, AS PRO-RATED FOR THE COVERED PERIOD.

AVERAGE MONTHLY PAYROLL COSTS EXCLUDED COSTS

- **EXCLUDED PAYROLL COSTS ARE:**
- COMPENSATION OF AN INDIVIDUAL EMPLOYEE IN EXCESS OF AN ANNUAL SALARY OF \$100,000, AS PRORATED FOR THE PERIOD FEBRUARY 15, TO JUNE 30, 2020
- PAYROLL TAXES, RAILROAD RETIREMENT TAXES, AND INCOME TAXES
- ANY COMPENSATION OF AN EMPLOYEE WHOSE PRINCIPAL PLACE OF RESIDENCE IS OUTSIDE OF THE UNITED STATES
- QUALIFIED SICK LEAVE WAGES FOR WHICH A CREDIT IS ALLOWED UNDER SECTION 7001 OF THE FAMILIES FIRST CORONAVIRUS RESPONSE ACT (PUBLIC LAW 116-5 127); OR QUALIFIED FAMILY LEAVE WAGES FOR WHICH A CREDIT IS ALLOWED UNDER SECTION 7003 OF THE FAMILIES FIRST CORONAVIRUS RESPONSE ACT

PPP LOAN FORGIVENESS*

- WILL FORGIVE UP TO 100% OF THE LOAN IF THE BORROWER HAS RETAINED THE SAME NUMBER OF EMPLOYEES AS WHEN THEY RECEIVED THE LOAN.
- FORGIVENESS FOR THE TOTAL AMOUNT BORROWERS SPENT ON PAYROLL COSTS AND MORTGAGE INTEREST, RENT, AND UTILITY PAYMENTS BETWEEN FEBRUARY 15 AND JUNE 30, 2020
- THE SBA WILL GRANT FORGIVENESS UP TO AN AMOUNT EQUAL TO (8) EIGHT WEEKS OF PAYROLL AND OTHER CERTAIN COSTS IF THE BORROWER RETAINS ITS EMPLOYEES AND MAINTAINS SALARY LEVELS.
- ANY CANCELED INDEBTEDNESS WILL NOT BE INCLUDED IN THE BORROWER'S TAXABLE INCOME. HOWEVER, A BORROWER WHOSE PPP LOAN IS FORGIVEN IS NOT ELIGIBLE FOR DEFERRAL OF THE PAYROLL TAX (DETAILED IN SLIDES BELOW).
- THE AMOUNT FORGIVEN WILL BE REDUCED PROPORTIONALLY BY ANY REDUCTION IN EMPLOYEES COMPARED TO THE PRIOR YEAR AND REDUCED BY THE REDUCTION IN PAY OF ANY EMPLOYEE BEYOND 25 PERCENT OF THEIR COMPENSATION THE PRIOR YEAR.

LOAN FORGIVENESS REDUCTION

- ANY CANCELED INDEBTEDNESS WILL NOT BE INCLUDED IN THE BORROWER'S TAXABLE INCOME. HOWEVER, A BORROWER WHOSE PPP LOAN IS FORGIVEN IS NOT ELIGIBLE FOR DEFERRAL OF THE PAYROLL TAX
- THE AMOUNT OF LOAN FORGIVENESS CALCULATED ABOVE IS REDUCED IF THERE IS A REDUCTION IN THE NUMBER OF EMPLOYEES OR A REDUCTION OF GREATER THAN 25% IN WAGES PAID TO EMPLOYEES.

- SPECIFICALLY-EITHER:

REDUCTION BASED ON REDUCTION OF NUMBER OF EMPLOYEES:



Reduction based on Salaries:



For any employee who did not earn during any pay period in 2019 wages at an annualized rate more than \$100,000, the amount of any reduction in wages that is greater than 25% compared to their most recent full quarter.

Paycheck Protection Program (PPP)

Economic Injury Disaster Loan (EIDL)

- Payroll
- Debt obligations incurred before 2.15.20
- Employee Salaries
- Mortgage Interest
- Rent



- Payroll
- Fixed Debts
- Accounts Payable
- Other expenses that can't be paid because of the disaster's impact

2.5X business's average monthly payroll



up to **\$2 million**

fixed **4%** regardless of business type



3.75%
small business

2.75%
non-profits

no payments for first
6-12 months
then a 10-year term loan



up to **30 years**

up to **100%** with approval



0% is eligible for forgiveness

ECONOMIC INJURY GRANTS (EEIG)

- A NEW GRANT PROGRAM HAS BEEN CREATED TO PROVIDE AN **ADVANCE OF \$10,000** TO EXISTING AND NEWLY ELIGIBLE DISASTER LOAN RECIPIENTS. WITHIN THREE (3) DAYS OF APPLYING FOR AN SBA ECONOMIC INJURY DISASTER LOAN (EIDL), BORROWERS MAY RECEIVE AN EMERGENCY ADVANCE OF UP TO THE \$10,000. **THIS \$10,000 IS NOT REQUIRED TO BE REPAYED.**
- SMALL BUSINESSES (UP TO 500 EMPLOYEES), COOPERATIVES, ESOPS, PRIVATE NONPROFITS, INDEPENDENT CONTRACTORS AND THE SELF-EMPLOYED ARE ELIGIBLE FOR THE GRANTS.
- THE ADVANCE CAN COVER IMMEDIATE PAYROLL, MORTGAGE RENT, UTILITIES AND OTHER OPERATING EXPENSES WHILE THEY WAIT FOR ADDITIONAL RELIEF TO BE PROCESSED.

ADDITIONAL INFORMATION AND APPLICATION INFORMATION WILL BE PROVIDED AS SOON AS IT IS MADE AVAILABLE BY THE SBA.

EMPLOYEE RETENTION PAYROLL TAX CREDIT

- THERE IS A NEW 50% EMPLOYEE RETENTION PAYROLL TAX CREDIT FOR WAGES PAID TO EMPLOYEES DURING THE COVID-19 EMERGENCY.
- THE FULLY-REFUNDABLE CREDIT WOULD BE AVAILABLE TO ANY BUSINESS OR NON-PROFIT THAT HAS
 - (1) A FURLOUGHED OR REDUCED WORKFORCE AS A RESULT OF A FORCED CLOSURE DUE TO A GOVERNMENT ORDER, OR
 - (2) ANY BUSINESS THAT HAS SEEN A 50% REDUCTION IN QUARTERLY GROSS RECEIPTS MEASURED YEAR OVER YEAR.
- LIMITATIONS:
 - **THE CREDIT AMOUNT IS LIMITED TO 50% OF THE QUALIFIED WAGES UP TO \$10,000 PER EMPLOYEE (OR \$5,000 IN CREDIT)** AND IS REFUNDABLE AGAINST PAYROLL TAX.
 - EMPLOYERS WITH MORE THAN 100 FULL-TIME EMPLOYEES WOULD ONLY RECEIVE CREDIT FOR WAGES PAID TO EMPLOYEES WHO ARE NOT WORKING. EMPLOYERS WITH 100 OR FEWER EMPLOYEES WOULD RECEIVE THE CREDIT FOR ALL WAGES PAID TO EMPLOYEES.
 - EMPLOYERS CANNOT RECEIVE THE CREDIT IF THEY RECEIVE A LOAN UNDER THE SBA PAYCHECK PROTECTION PROGRAM ESTABLISHED BY THE CARES ACT OR ARE CLAIMING THE TAX CREDIT FOR SICK LEAVE (DISCUSSED LATER).

FAMILY/SICK LEAVE BENEFITS FAMILIES FIRST CORONAVIRUS RESPONSE ACT (AS AMENDED BY THE CARE ACT)

- EFFECTIVE 4-1-2020, IF YOU ARE A BUSINESS OWNER WHO EMPLOYS 50-500 PEOPLE, YOU MUST PROVIDE PAID FAMILY AND SICK LEAVE TO EMPLOYEES.
- **FAMILY AND MEDICAL LEAVE ACT OF 1993 (FMLA)**: ELIGIBLE FULL-TIME EMPLOYEES AND PART-TIME EMPLOYEES ARE ENTITLED TO 12 WEEKS OF JOB-PROTECTED LEAVE TO TAKE CARE OF A FAMILY MEMBER DUE TO COVID-19 OR FOR THEIR CHILDREN IN THE EVENT OF A SCHOOL CLOSURE.
 - THE 12 WEEKS OF JOB-PROTECTED LEAVE INCLUDE TWO WEEKS OF UNPAID LEAVE, FOLLOWED BY 10 WEEKS OF LEAVE (NO LESS THAN TWO-THIRDS OF THE EMPLOYEE'S USUAL PAY UP TO \$200/DAY NOT TO EXCEED \$10,000 OVER THE BENEFIT PERIOD).
 - ELIGIBLE EMPLOYEES MAY ELECT OR BE REQUIRED TO OVERLAP THE INITIAL TWO WEEKS OF UNPAID LEAVE WITH TWO WEEKS OF OTHER PAID LEAVE THEY HAVE AVAILABLE.
 - THE EMPLOYEE MUST HAVE WORKED FOR THE EMPLOYER FOR AT LEAST 30 DAYS.

FAMILY/SICK LEAVE BENEFITS CONTINUED...

- **EMERGENCY PAID SICK LEAVE (ESPL):** ELIGIBLE EMPLOYEES WILL RECEIVE A BENEFIT FROM THEIR EMPLOYERS THAT WILL BE NO LESS THAN TWO-THIRDS OF THE EMPLOYEE'S USUAL PAY SUBJECT TO THE FOLLOWING:
 - ELIGIBLE FULL-TIME AND PART-TIME EMPLOYEES ARE ELIGIBLE FOR TWO WEEKS OF PAID SICK LEAVE (**UP TO \$511 PER DAY, OR \$5,100 TOTAL**) TO SEEK TREATMENT OF COVID-19, OR
 - TWO WEEKS OF PAID LEAVE (**UP TO \$200 PER DAY, OR \$2,000 TOTAL**) TO CARE FOR A FAMILY MEMBER OR CHILD WHOSE SCHOOL HAS CLOSED DUE TO COVID-19.
- **EMPLOYERS WILL BE FULLY REIMBURSED BY THE FEDERAL GOVERNMENT BY PROVIDING A PAYROLL TAX CREDIT BASED ON THE PER DAY CAP AMOUNTS IDENTIFIED ABOVE FOR DAYS NOT WORKED FROM APRIL 1 THROUGH DECEMBER 31, 2020.**
- PEOPLE WHO ARE SELF-EMPLOYED ARE ELIGIBLE FOR A TAX CREDIT OF UP TO TWO WEEKS OF SICK PAY AT THEIR AVERAGE PAY AND 12 WEEKS OF FAMILY LEAVE PAY AT TWO-THIRDS THEIR NORMAL RATE.
 - THE TAX CREDIT CAN BE APPLIED AGAINST A PERSON'S QUARTERLY ESTIMATED INCOME TAX PAYMENTS AND IT IS REFUNDABLE!

EMPLOYER PAYROLL TAX DEFERRAL (EPTD)

- AS AN ADDITIONAL INCENTIVE TO KEEP WORKERS ON STAFF, COMPANIES MAY DEFER PAYMENT OF THE EMPLOYERS SHARE OF THE SOCIAL SECURITY TAX ON ALL WAGES UP TO \$137,700 FOR THE REST OF THE YEAR.
- EMPLOYERS ARE REQUIRED TO PAY THE 50% OF THE DEFERRED TAX PAYMENTS BEFORE DECEMBER 31, 2021 AND THE REMAINING BALANCE ON OR BEFORE DECEMBER 31, 2022.
- SELF-EMPLOYED INDIVIDUALS WOULD BE ELIGIBLE TO DEFER 50% OF SELF-EMPLOYMENT SOCIAL SECURITY TAX PAYMENTS.
- AMOUNT WOULD BE REDUCED BY THE TAX CREDITS EARNED BY KEEPING EMPLOYEES ON PAYROLL.
- DEFERRAL IS NOT PROVIDED TO EMPLOYERS THAT HAVE THEIR SBA 7(A) BUSINESS LOAN DEBT FORGIVEN

MODIFICATION TO NET OPERATING LOSS CARRYBACK RULES

- UNDER THE EXISTING LAW ENACTED BY THE TAX CUTS AND JOBS ACT (TCJA), CORPORATE NET OPERATING LOSSES COULD ONLY BE CARRIED FORWARD AND WOULD BE LIMITED TO 80% OF FUTURE TAXABLE INCOME IN ANY ONE YEAR. FOR INDIVIDUALS WITH PASS-THROUGH BUSINESSES, LOSSES WOULD BE ALLOWED TO OFFSET OTHER TAXABLE INCOME BUT WOULD BE LIMITED TO \$250,000 (\$500,000 MFJ), WITH THE REMAINDER BEING CARRIED FORWARD.
- ALL NET OPERATING LOSSES (NOLS) REPORTED IN YEARS 2018, 2019, AND 2020 WOULD BE ALLOWED TO BE CARRIED BACK FOR UP TO 5 YEARS FOR TAXPAYERS OTHER THAN REITS.
- THE 80% LIMITATION ON NET OPERATING LOSSES FOR CORPORATE TAXPAYERS OTHER THAN REITS INCURRED IN, OR APPLICABLE TO, TAXABLE YEARS BEGINNING BEFORE JANUARY 1ST, 2021 IS TEMPORARILY REPEALED, ALLOWING THOSE LOSSES TO BE FULLY DEDUCTIBLE.
- FOR NON-CORPORATE BUSINESSES, THE PRE-2018 RULES FOR EXCESS BUSINESS LOSS CARRYBACKS HAVE BEEN EXTENDED TO YEARS THROUGH THE YEAR ENDING DECEMBER 31ST, 2020.

OTHER BUSINESS TAX PROVISIONS

- THE FILING AND PAYMENT DEADLINE FOR CALENDAR YEAR CORPORATIONS IS EXTENDED FROM APRIL 15TH TO JULY 15, 2020. STATE FILING DEADLINES VARY.
- CORPORATE ESTIMATED TAX PAYMENTS FOR Q1 HAVE ALSO BEEN DELAYED TO JULY 15.
- CORPORATIONS CHARITABLE CONTRIBUTION LIMITATION IS INCREASED FROM 0% TO 25% OF TAXABLE INCOME.
- QUALIFIED IMPROVEMENT PROPERTY IS NOW CONSIDERED TO HAVE A DEPRECIABLE LIFE OF 15-YEARS AND WILL THUS QUALIFY FOR BONUS DEPRECIATION (VS. 39 YEAR DEPRECIATION)
- THE 30% TAXABLE INCOME LIMIT ON BUSINESS INTEREST EXPENSE IS INCREASED TO 50% FOR 2019 AND 2020 (ANOTHER ROLE BACK OF THE LAW ENACTED BY TCJA).

OTHER BUSINESS PROVISIONS CONTINUED

- EXPANDED BANKRUPTCY PROTECTION FOR SMALL BUSINESSES:
 - THE \$2.73 MILLION DEBT LIMIT FOR STREAMLINED CHAPTER 11 BANKRUPTCY PROCEDURES FOR SMALL BUSINESS DEBTS IS INCREASED TO \$7.5 MILLION.
 - ANY FEDERAL PAYMENTS RECEIVED BY BUSINESSES FROM CORONAVIRUS-RELATED PROGRAMS WOULD BE EXCLUDED FROM THE INCOME CALCULATIONS IN CHAPTER 11 BANKRUPTCY PROCEEDINGS.
- SPECIAL EXCISE TAX BENEFITS FOR CERTAIN INDUSTRIES:
 - AVIATION COMPANIES ARE GRANTED AN “EXCISE TAX HOLIDAY” FROM TAXES ON AIR TRANSPORTATION FOR BOTH INDIVIDUALS AND CARGO.
 - DISTILLED ALCOHOL NORMALLY USED FOR BEVERAGE CONSUMPTION THAT IS USED TO PRODUCE HAND SANITIZER IS EXEMPT FROM EXCISE TAX FOR 2020.
- MEDICAL PROVIDERS:
 - THE ANNUAL 2% REDUCTION IN MEDICARE PAYMENTS THAT HAD BEEN SCHEDULED DUE TO SEQUESTRATION HAS BEEN SUSPENDED FROM MAY 1ST THROUGH DECEMBER 31ST, 2020.
 - MEDICARE PAYMENTS ARE AVAILABLE FOR TELE-HEALTH PROVIDERS AND THE REQUIREMENT FOR FACE-TO-FACE PHYSICIAN VISITS FOR MEDICARE REIMBURSEMENTS IS TEMPORARILY WAIVED.



INDIVIDUAL PROVISIONS

THE CARES ACT

FOR INDIVIDUALS AND EMPLOYEES: CASH REBATE

- CASH REBATES HAVE BEEN MADE AVAILABLE FROM THE COVID-19 STIMULUS BILL. U.S. RESIDENT INDIVIDUALS MAKING \$75,000 OR LESS (\$150,000 COUPLES FILING JOINTLY) WILL RECEIVE \$1,200. REBATE PHASES OUT UP TO \$99,000 (\$198,000 COUPLES FILING JOINTLY).
- FAMILIES WOULD RECEIVE AN ADDITIONAL \$500 FOR EACH DEPENDENT CHILD UNDER 17.
- THE CREDIT IS AUTOMATICALLY ADVANCED TO ELIGIBLE INDIVIDUALS BASED ON THE INDIVIDUAL'S MOST RECENT INCOME TAX FILING (EITHER 2018 OR 2019).
- INDIVIDUALS WHO HAVE NOT FILED A TAX RETURN IN 2018 OR 2019 MAY STILL RECEIVE A REBATE BASED ON THEIR MOST RECENT SOCIAL SECURITY BENEFIT STATEMENT (OR EQUIVALENT) .
- RECIPIENTS MUST HAVE A SOCIAL SECURITY NUMBER (EXCEPT SPOUSES OF U.S. SERVICE MEMBERS) AND BE A U.S. RESIDENT.
- ADOPTION TAXPAYER IDENTIFICATION NUMBERS ARE ACCEPTABLE FOR ADOPTED CHILDREN.
- PEOPLE ARE ENCOURAGED TO GO TO [HTTPS://WWW.IRS.GOV](https://www.irs.gov) TO FILE FOR DIRECT DEPOSIT IF THEY DO NOT ALREADY USE DIRECT DEPOSIT.
- NON-FILERS ARE ENCOURAGED TO FILE A RETURN, AND WILL LIKELY BE ASKED TO UNDERTAKE ADDITIONAL STEPS THAT WILL BE DETERMINED BY THE IRS, IN ORDER TO CLAIM THE REBATE.
- *THE WASHINGTON POST* CREATED A [STIMULUS PAYMENT CALCULATOR](#).

TAX FILING DEADLINE DELAYED

- THE FEDERAL INCOME TAX FILING AND PAYMENT DEADLINE HAS BEEN DELAYED FROM APRIL 15 TO JULY 15 FOR ALL TAXPAYERS AND BUSINESSES.
- PEOPLE EXPECTING A REFUND ARE STILL ENCOURAGED TO FILE, AS SOON AS POSSIBLE, IN ORDER TO GET THE MONEY THEY ARE OWED.
- THE IRS HAS ALSO ISSUED GUIDANCE DELAYING PAYMENTS OF 2020 ESTIMATED TAX PAYMENTS ORIGINALLY DUE ON APRIL 15TH TO JULY 15TH.
- **IMPORTANT NOTE:** THIS ONLY APPLIES TO FEDERAL, NOT STATE, TAXES. DUE TO BUDGETING ISSUES VIRGINIA FOR EXAMPLE ONLY EXTEND THE TAX FILING DEADLINE TO JUNE1 ,2020.

CHARITABLE CONTRIBUTIONS

- **EXPANDED CHARITABLE CONTRIBUTION DEDUCTIONS-**
- THE ACT PROVIDES INDIVIDUALS WITH A \$300 “ABOVE THE LINE” DEDUCTION FOR DONATIONS TO CHARITABLE ORGANIZATIONS AVAILABLE REGARDLESS OF IF TAXPAYER ITEMIZES THEIR DEDUCTIONS.
- THE ACT ALSO SUSPENDS RECENT LIMITATIONS ON CHARITABLE DONATIONS BY INDIVIDUALS, SUCH AS THE 60 PERCENT ADJUSTED GROSS INCOME LIMITATION. AN INDIVIDUAL WHO ITEMIZES DEDUCTIONS CAN NOW CLAIM A CHARITABLE CONTRIBUTION DEDUCTION UP TO 100% OF ADJUSTED GROSS INCOME FOR CASH CONTRIBUTIONS

FEDERAL STUDENT LOANS

- UNDER THE CARES ACT, EMPLOYERS CAN CONTRIBUTE UP TO \$5,250 ANNUALLY TOWARD REPAYMENT OF EMPLOYEE'S STUDENT LOANS WITHOUT THAT AMOUNT BEING INCLUDED IN THE EMPLOYEE'S INCOME.
- FOR BORROWERS (EFFECTIVE IMMEDIATELY):
 - FEDERALLY-HELD STUDENT LOAN PAYMENTS HAVE BEEN SUSPENDED UNTIL SEPTEMBER 30, 2020.
 - **INTEREST WILL NOT ACCRUE ON LOANS DURING THE SUSPENSION PERIOD.**

UNEMPLOYMENT BENEFITS

STANDARD BENEFITS

			Weekly	Weekly
			Minimum	Maximum
D.C.	Benefit period 26 weeks	Weekly Benefits*	\$ 50	\$ 444
Maryland	Benefit period 26 weeks	Weekly Benefits*	\$ 50	\$ 430
Virginia	Benefit period 12 to 26 weeks determined by VEC	Weekly Benefits*	\$ 60	\$ 378

ENHANCEMENTS TO UNEMPLOYMENT INSURANCE AS A RESULT OF THE CARES ACT

- 1) Eliminates one week waiting period before applying for Unemployment Insurance
- 2) 13 weeks additional unemployment insurance once state time period is exhausted
- 3) * **Not including the CARES Act Payment of an additional \$600 per week, until July 31, 2020.**

OTHER MISCELLANEOUS BENEFITS

- CONGRESS HAS GIVEN STATES AUTHORITY TO PROVIDE EMERGENCY ALLOTMENTS TO SNAP HOUSEHOLDS, AS WELL AS, PROVIDE TEMPORARY SERVICES, INCLUDING SCHOOL LUNCH PROGRAMS FOR CHILDREN WHOSE SCHOOLS ARE CLOSED AND NORMALLY RECEIVE FREE OR REDUCED-PRICE MEALS.
- HOUSING AND URBAN DEVELOPMENT (HUD) SUSPENDED FORECLOSURES AND EVICTIONS FOR MORTGAGES INSURED BY THE FEDERAL HOUSING ADMINISTRATION FOR 60 DAYS.
- TAXPAYERS WHO: (1) HAVE BEEN DIAGNOSED WITH COVID-19, (2) ARE THE SPOUSE OR DEPENDENT OF SOMEONE DIAGNOSED WITH COVID-19, OR (3) EXPERIENCE ADVERSE FINANCIAL CONSEQUENCES FROM LOSS OF WORK OR CHILD CARE DUE TO COVID-19, MAY BYPASS CERTAIN WITHDRAWAL LIMITS ON RETIREMENT PLANS UP TO \$100,000 FOR CORONAVIRUS-RELATED DISTRIBUTIONS WITH NO EARLY WITHDRAWAL PENALTY.
- REQUIRED MINIMUM DISTRIBUTION RULES ON CERTAIN RETIREMENT PLANS AND ACCOUNTS ARE TEMPORARILY WAIVED FOR 2020

RESOURCES

- [HTTPS://COVID19RELIEF.SBA.GOV/#/](https://COVID19RELIEF.SBA.GOV/#/)
- [HTTPS://MILLERMUSMAR.COM/NEWSLETTER/CORONAVIRUS-EMERGENCY-LANS-SMALL-BUSINESS-GUIDE-AND-CHECKLIST/](https://MILLERMUSMAR.COM/NEWSLETTER/CORONAVIRUS-EMERGENCY-LANS-SMALL-BUSINESS-GUIDE-AND-CHECKLIST/)
- SBA CUSTOMER SERVICE CENTER AT 1-800-659-2955 OR (TTY: 1-800-877-8339)
DISASTERCUSTOMERSERVICE@SBA.GOV
- WWW.VEC.VIRGINIA.GOV
- [HTTPS://WWW.SBA.GOV/DOCUMENT/SBA-FORM--PAYCHECK-PROTECTION-PROGRAM-PPP-SAMPLE-APPLICATION-FORM](https://WWW.SBA.GOV/DOCUMENT/SBA-FORM--PAYCHECK-PROTECTION-PROGRAM-PPP-SAMPLE-APPLICATION-FORM)



QUESTIONS AND ANSWERS SESSION OPEN

Thank You!



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