

CARES Act Business Summary

- Lay off or furlough workers
 - They are eligible for unemployment at a maximum \$454 a week(Texas). The federal government will increase that payment by \$600 for the first 4 months.
 - Unemployment is also extended 13 additional weeks
- Continue to pay workers
 - If your business was fully or partially shut down or you had a 50% drop in revenue from the previous year you will be eligible for a tax credit. The credit covers 50% of payroll up to a \$10K tax credit per employee. This credit is disallowed if you use the SBA loan option.
- Delay paying payroll taxes up to 2 years. Your liability for 2020 must be paid by the end of 2022 and at least 50% paid by the end of 2021.
- Employers can give their employees up to \$5,250 to pay for their student loans without that employee having to include the money in their income.
- Emergency grants are available up to \$10K to cover immediate operating cost.
- Apply for a loan backed by the Small Business Association. The loans would convert into grants that don't have to be repaid for amounts spent on items such as payroll, rent or utilities, with the grants reduced when workers are laid off. The loans would be capped at \$10 million and cover wages up to \$100,000 a year. Workers must be paid through June.
- Current SBA loan payments are covered for up to 6 months.



- There is a 100% refundable tax credit for employers with fewer than 500 employees to provide two weeks of paid sick leave and up to 12 weeks of paid family and medical leave for employees affected by COVID-19 through December 31, 2020. The maximum amount of an employee's wages required to be paid and eligible for the credit are \$511 per day. The credit limitation is \$200 per day for employees taking leave to care for a family member impacted by coronavirus or a child if his or her school was closed due to the health emergency. This credit will offset payroll tax obligations and is also refundable for firms without profits or current tax liabilities.
- Businesses can now immediately write off costs associated with improving facilities instead of having to depreciate those improvements over the 39-year life of the building. You can amend a prior year return to include this bonus depreciation tool.
- Business Net operating losses can offset 100% of taxable income for 2018, 2019 and 2020 returns. The bill reinstates the 80% limit to taxable years beginning after Dec. 31, 2020. If you had an NOL you can go back and amend your previous return to recoup the tax refund.
- The business interest deduction is increased from 30% to 50%