

## CARES Act (Also Known As H.R. 748)

- There are many **tax provisions** for individual, joint and corporate filers in this bill to allow for increased deductions and delayed payments. **Talk to your accountant!**
    1. Certain **payroll taxes** deferred through 2020, will not become due until the end of 2021 (50%) and 2022 (50%).
    2. Any business that does not have a loan forgiven under the new Small Business Administration (SBA) Paycheck Protection Program (see below) is eligible for the payroll tax deferral.
  - **A \$100 billion fund**, run through the Public Health and Social Services Emergency Fund, will cover **non-reimbursable expenses attributed to COVID-19**.
    1. Designed to be immediately responsive to needs. The Department of Health and Human Services (HHS) will release funds to healthcare entities on a rolling basis as qualified applications are received. *The HHS Secretary still needs to release guidance on the application process.*
    2. Non-reimbursable expenses include PPE or foregone revenue from cancelled procedures, such as skin tests, spirometry, etc.
  - Specific details about the **7(a) SBA Paycheck Protection Program** can be [found here](#).
    1. \$500 billion, 100% federally guaranteed loans to employers who maintain their payroll during this emergency, maximum \$10 million – loans forgiven if payroll maintained.
    2. Apply to an SBA-approved lender for a **loan up to 250% of average monthly payroll costs** (from 2/15/19 to 6/30/19) to cover eight weeks of payroll, benefits, and other expenses like rent, mortgage, and utilities.
    3. Loan **can be forgiven** based on maintaining employee and salary levels.
- Amount forgiven is reduced in proportion to number of employees retained, if any wages are reduced by more than 25%.
- This reduction will not apply if you rehire employees previously laid off or resume prior wages by [June 30, 2020](#).
- For any portion of the loan not forgiven, payback terms include maximum term of 10 years and maximum interest rate of 4%.
- Available [through June 30, 2020](#).
- There is an **employee retention tax credit** for businesses that are not eligible or choose not to participate in the SBA Paycheck Protection Program.

1. Any business forced to fully or partially suspend operations, or that has seen a significant drop in revenues are eligible for 50% credit for wages paid to furloughed or reduced-hour employees.
  2. For businesses with 100 employees or less, credit is based on all wages paid, regardless of whether the employee is furloughed.
  3. Can be claimed against the business quarterly payroll tax liability and is fully refundable to the extent of excess. Check [IRS.gov](https://www.irs.gov) and talk to your payroll service provider.
- **\$17 billion for immediate relief to small businesses with non-disaster SBA loans.** SBA will cover all loan payments for six months.
  - **SBA Economic Injury Emergency Grant Program:** Emergency advance of up to \$10,000 to small businesses and private non-profits within three days of applying for an SBA Economic Injury Disaster Loan (which was discussed in a previous message). Ask for it when you apply for the loan – does not need to be repaid.
  - **Medicare** patients can fill up to 90 days of **medications** if prescribed.
  - **Unemployment Insurance**
    1. An additional \$600 added to every check between now and [July 31](#). Expands insurance to individuals who are not traditionally covered, including self-insured, and independent contractors. Contact your state unemployment office.
    2. Eligible for an additional 13 weeks of benefits if you have already exhausted your benefits.
    3. There are incentives for states to waive the waiting week.
  - **Emergency Leave Provisions Changed**
    1. With respect to the paid sick and family leave discussed in our last message, as provided by the Family Coronavirus Recovery Act, the CARES Act made some changes, including allowing the Secretary of Labor to exempt employers with fewer than 50 employees from the requirement to provide paid leave for childcare due to closures of schools and daycare. Additionally, employers of healthcare providers have the authority to unilaterally exclude their employees from all of the paid sick leave and family leave requirements.