


The 883-page bill, titled the "CARES Act," includes thousands of dollars in direct payments to most Americans, and huge loan packages designed to help keep small businesses and corporations afloat.

**A variety of business tax provisions:**

- ✓ \$350 billion allocated for the Paycheck Protection Program, which is meant to help small businesses (fewer than 500 employees) impacted by the pandemic and economic downturn to make payroll and cover other expenses from February 15 to June 30. Notably, small businesses may take out loans up to \$10 million—limited to a formula tied to payroll costs—and can cover employees making up to \$100,000 per year. Loans may be forgiven if a firm uses the loan for payroll, interest payments on mortgages, rent, and utilities and would be reduced proportionally by any reduction in employees retained compared to the prior year and a 25 percent or greater reduction in employee compensation.



Unemployment insurance provisions now include an additional \$600 per week payment to each recipient for up to four months, and extend UI benefits to self-employed workers, independent contractors, and those with limited work history. The federal government will provide temporary full funding of the first week of regular unemployment for states with no waiting period and extend UI benefits for an additional 13 weeks through December 31, 2020 after state UI benefits end.

- ✓ Employer-side Social Security payroll tax payments may be delayed until January 1, 2021, with 50 percent owed on December 31, 2021 and the other half owed on December 31, 2022. The Social Security Trust Fund will be backfilled by general revenue in the interim period.
- ✓ Employers are eligible for a 50 percent refundable payroll tax credit on wages paid up to \$10,000 during the crisis. It would be available to employers whose businesses were disrupted due to virus-related shutdowns and firms experiencing a decrease in gross receipts of 50 percent or more when compared to the same quarter last year. The credit is available for employees retained but not currently working due to the crisis for firms with more than 100 employees, and for all employee wages for firms with 100 or fewer employees.