



CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY (CARES) ACT 101

RESOURCES TO HELP YOUR BUSINESS

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law. The CARES Act provides approximately \$2 trillion in funding to stabilize the economy and provide broad relief to individuals and businesses directly or indirectly impacted by the COVID-19 pandemic.

PAYMENT PROTECTION PROGRAM (PPP) LOANS

PPP provides cash-flow assistance through 100 percent federally guaranteed loans to employers who maintain their payroll during this emergency.

- Up to \$10 million
- Up to 4% interest
- If employers maintain their payroll, the loans would be **forgiven**.
- Small businesses, non-profit organizations 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 beginning April 3, 2020 through June 30, 2020 through Premier Valley Bank](https://www.premiervalleybank.com/cares-act-programs-businesses-and-non-profits) Go to <https://www.premiervalleybank.com/cares-act-programs-businesses-and-non-profits> or call 877-2801863

[Learn more about the Payment Protection Program through the US Department of Treasury.](#)

ECONOMIC INJURY DISASTER LOANS (EIDLs)

- Up to \$2 million
- 3.75% interest for businesses
- 2.75% interest for non-profits
- Apply with the US Small Business Administration - https://www.sba.gov/funding-programs/disaster-assistance?fbclid=IwAR3klomgrHaGI0mcrUpGEeS_LbaZRoeWudNL61cEuF1dwK-g49OVEYn66s

EMERGENCY ECONOMIC INJURY GRANTS

- 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).
- Must first apply for an EIDL and then request 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.

UNEMPLOYMENT ASSISTANCE

- Expanded unemployment insurance to self-employed and independent contractors
- Up to 39 weeks
- An amount equal to the minimum weekly amount they could receive from their state
- Non-profits are eligible
- Apply https://edd.ca.gov/about_edd/coronavirus-2019/unemployment-claims.htm

SMALL BUSINESS TAX PROVISIONS

EMPLOYEE RETENTION CREDIT FOR EMPLOYERS SUBJECT TO CLOSURE OR EXPERIENCING ECONOMIC HARDSHIP

- Refundable payroll tax credit for 50 percent of wages paid by eligible employers to certain employees during the COVID-19 crisis.
- 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.
- Provided to employers who have experienced a greater than 50 percent reduction in quarterly receipts, measured on a year-over-year basis.
- For employers with 100 or fewer full-time employees, all employee wages are eligible, regardless of whether an employee is furloughed.
- 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.
- Credit is not available to employers receiving assistance through the Paycheck Protection Program. The credit is provided through December 31, 2020.

DELAY OF PAYMENT OF EMPLOYER PAYROLL TAXES

- Allows 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.

For more information, visit the Tax Franchise Board - <https://www.ftb.ca.gov/about-ftb/newsroom/covid-19/extensions-to-file-pay.html>