

# HOW TO ACCESS ECONOMIC RELIEF IN THE CARES ACT

Are you a business with fewer than 500 employees or a boat manufacturer with fewer than 1,000\* employees?

**YES**

**NO**

Do you need cash immediately?

What else is available?

**YES**

**NO, BUT ASAP**

**TAX CREDITS**

**Emergency Economic Injury Disaster Loan (EIDL)**

- ▶ Up to \$2 million for fixed debts, payroll, and other operating costs
- ▶ Up to \$10,000 advance through January 1, 2021
- ▶ Lending decision within 3 days

**Paycheck Protection Program (\$350 billion)**

- ▶ 100% loan forgiveness if you retain the number of employees and don't reduce wages more than 25%
- ▶ Cover up to 2 1/2 months of payroll
- ▶ Capped at \$10 million
- ▶ Open until June 30, 2020
- ▶ Remaining balance covered at low 4% interest max
- ▶ Distributed through Small Business Administration and 2,500+ certified lenders

**Short-term compensation assistance**

- ▶ Employees who have reduced hours can seek unemployment insurance for the pro-rated amount of reduction

**Payroll tax credit**

- ▶ 50% of first \$10,000 of employee pay from March-December 2020

**Social Security tax deferment**

- ▶ 3-year extension with 1/2 paid by end of 2021 and 1/2 paid by end of 2022

**Net operating loss**

- ▶ 2018-2020, 5-year carry back with full offset

**Business interest expense**

- ▶ Total interest expenses businesses can deduct have increased from 30 to 50% for 2019 and 2020 tax returns

**Immediate recovery of corporate alternative minimum tax (AMT) credits**

**Immediate write off for facility improvement costs**

**\$454 billion available for direct lending via Federal Reserve's 13(3) program**

- ▶ Must maintain 90% of employees
- ▶ Prohibits offshoring jobs and repealing existing CBAs

\*Businesses are affiliates of each other when one controls or has the power to control the other, or a third party or parties controls or has the power to control both. Joint ownership, management or governance of business units constitutes affiliation and employee counts must be aggregated for Small Business Association consideration.

