

From the Small Business Legislative Council (SBLC) come these two releases:

*Things are moving fast here in DC – Below is IRS Notice 2020-18 issued Friday which supersedes Notice 2020-17. This notice expands on 2020-17 so that not only are payments for Federal income taxes postponed from April 15<sup>th</sup> to July 15<sup>th</sup> but now the filings are automatically postponed as well. The \$1 million and \$10 million limitations have been removed. The notice only applies to Federal income tax payments and Federal estimated income tax payments. The period April 15<sup>th</sup> through July 15<sup>th</sup> will be disregarded in the calculation of interest and penalties.*

[Notice 2020-18](#); Federal income tax filing and payment relief on account of Coronavirus Disease 2019 (COVID-19) emergency. The Treasury Department and IRS are providing relief to all taxpayers who have Federal income tax returns and Federal income tax payments due on April 15, 2020. The April 15, 2020 deadline is postponed to July 15, 2020. Associated interest, additions to tax, and penalties for late filing or late payment will be suspended until July 15, 2020.

Notice 2020-18 will be in IRB 2020-15, dated April 6, 2020.

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#### **In This Alert:**

- **Latest Round of COVID-19 Legislation Could Lend Greater Assistance to Small Businesses and Their Employees**

#### **Latest Round of COVID-19 Legislation Could Lend Greater Assistance to Small Businesses and Their Employees**

As we reported earlier this week, Congress passed, and the President signed, the Families First Coronavirus Response Act ("FFCRA"). The FFCRA (among many other things), requires that, starting April 2, 2020, businesses with under 500 will be required to provide paid leave for certain employees who cannot work or telework because of qualifying COVID-19 reasons. The Senate leadership is now working to negotiate another response package which could provide significant support for small businesses trying to navigate this unprecedented time.

Currently under chief consideration is the CARES Act (S. 3548) which was introduced by Senate Majority Leader Mitch McConnell (R-KY). As currently drafted, the proposed legislation is aimed at providing sweeping relief to both individuals and companies, including providing for cash payments of up to \$1,200 per individual to help lower and middle income families. Of particular import to small and mid-sized businesses, the bill provides loans of up to \$10 million for employers with under 500 employees to help them cover payroll, mortgages, rent and other specified expenses. As currently drafted, the bill would further allow businesses that retain their employees and payroll levels between March 1, 2020 and June 30, 2020 to have any part of such loan that was used to cover payroll through that period forgiven entirely (to the extent that employees or payroll levels are reduced, loan forgiveness would be proportionately reduced). The exception to this would be that anything paid to a single employee over \$33,333 during the three month period or any payments for leave established by the FFCRA, for which the employer would be receiving a tax refund, would not be eligible for loan forgiveness.

Majority Leader McConnell had hoped to have negotiations on the bill completed yesterday. However, there remain open issues that the Republican and Democratic leadership are trying to work out. In particular, the Democrats are seeking further expansion of the FFCRA's paid leave provisions and

significant additional funds for hospitals and health care providers. Negotiations will continue through the weekend with the stated objective of having an agreement and vote by Monday.

There are likely to be significant changes between the current draft and the final product, and it remains to be seen what the loan application and approval process would look like and how quickly employers would be able to access such loans if the bill is passed with these provisions. **However, particularly for small businesses that may have been considering, but have not yet implemented, a layoff or furlough (and who would therefore may be eligible for loan forgiveness), as well as for any business needing an influx of cash to stay in operation – this legislation could seriously impact their decision making and is certainly something to watch.**