



2020 CARES ACT

NOTABLE PROVISIONS AFFECTING BUSINESSES

The [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act of 2020](#) has been passed in response to the COVID-19 pandemic. Some key provisions and the ways in which they directly affect businesses are outlined below. Please note, this is not intended to serve as an all-inclusive summary and clients should refer to the complete [CARES Act](#) for more information.

PAYCHECK PROTECTION PROGRAM

Loan Qualifications

Certain businesses can qualify for small business loans up to a maximum of the lesser of \$10 million or 2.5x average cost to cover payroll, rent, utilities, mortgage interest, group insurance premiums, etc.

Loan Details

Loans have a maximum interest rate of 4% and are eligible for full or partial forgiveness. Eligible amounts must be spent during the first 8 weeks after the loan is made if spent on payroll related cost, BUT business MUST maintain the same number of employees (subject to certain timeframes).

Application

To view the U.S. Chamber of Commerce COVID-19 Emergency Loans Small Business Guide, [click here](#). For the Paycheck Protection Program Application Form, [click here](#).

EIDL GRANTS

Eligibility

Available to qualifying small businesses nationwide with no more than 500 employees that have faced economic injury as a direct result of the disaster and are unable to pay ordinary operating expenses. For more information, [click here](#).

Loan Details

Loan amounts up to \$2 million with standard interest rates of 3.75% for small businesses and 2.75% for nonprofits. Repayment terms of up to 30 years are available. The act states that nothing should prevent a borrower from getting both SBA disaster and relief loans.

TAX CHANGES

Filing Deadline Extended

The filing deadline for 2019 tax returns has been extended to July 15th.

Net Operating Losses

Allows businesses to carry-back net operating losses generated in 2018, 2019 or 2020 to the five years prior to the year of loss.

Payroll Tax

Payroll tax credit for qualifying businesses not receiving a covered loan. Employers are also eligible to defer payroll taxes from the date of enactment through the end of the year, until the end of 2021 and 2022.

RETIREMENT PLANS

Loan Amount Increase

The maximum loan amount from employer-sponsored retirement plans has been increased from \$50,000 to \$100,000.

Loan Payment Delay

Any payments that would otherwise be owed on the loan from the date of enactment through the end of 2020 may be delayed for up to one year.

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