

COVID-19 RELIEF

APRIL 29, 2020

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PREFACE OR IN THE BEGINNING...

This presentation will include all the information available as of today's webinar that is fit to print.

As new information becomes available, we will make every attempt to notify those interested.

CORONAVIRUS TAX RELIEF VERSION 1

- **H.R. 6074 – Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (P.L. # 116-123, 03/08/20)**
 - **This bill provides \$8.3 billion in emergency funding for federal agencies to respond to coronavirus outbreak**
 - **This bill is known as Division A and provides FY 2020 supplemental appropriations for Department of Health and Human Services (HHS), the State Department, and the Small Business Administration (SBA) to respond to the virus outbreak**

CORONAVIRUS TAX RELIEF VERSION 1 (CONT'D.)

- **H.R. 6074 – Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (P.L. # 116-123, 03/08/20) (cont'd.)**

- **Title III – (HHS) (cont'd.)**

- ▶ **§303 – funds provided by this title may be used to enter into contracts with individuals for personal services to support prevention of, preparation for, or response to the virus, subject**

to congressional notification requirements

- ▶ **§304 – sets forth authorities and restrictions applicable to transferring funds provided by this title**

- ▶ **§305 – requires HHS to submit to Congress detailed spending plan for funds provided by this division**

- ▶ **§306 – requires specified funds provided by this title for the Public Health and Social Services Emergency Fund to be transferred to HHS Office of Inspector General for oversight of activities supported with funds appropriated to HHS in titles I and III of this division**

CORONAVIRUS TAX RELIEF VERSION 1 (CONT'D.)

- **H.R. 6074 – Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (P.L. # 116-123, 03/08/20) (cont'd.)**
 - **Title IV – Department of State (cont'd.)**
 - ▶ **§401 – Specifies congressional notification requirements applicable to funds provided by this title**
 - ▶ **§402 – Sets forth authorities and restrictions applicable to transferring funds provided by this title**
 - ▶ **§403 – Allows State Department to transfer additional funds for activities such as emergency evacuations**

CORONAVIRUS TAX RELIEF VERSION 2

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20)**
 - **Bill responds to COVID-19 (i.e., coronavirus disease, 2019) outbreak by providing**
 - ▶ **Paid sick leave**
 - ▶ **Tax credits, and**
 - ▶ **Free COVID-19 testing**
 - **Expanding**
 - ▶ **Food assistance, and**
 - ▶ **Unemployment benefits**
 - **Increasing**
 - ▶ **Medicaid funding**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division A – Second Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (cont'd.)**
 - ▶ **Title I – Department of Agriculture (USDA)**
 - ◆ **§1102**
 - **Provides appropriations to USDA for grants to Northern Mariana Islands, Puerto Rico, and American Samoa for assistance in response to COVID-19 public health emergency nutrition**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division A – Second Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (cont'd.)**
 - ▶ **Title III – Department of the Treasury**
 - ◆ **Provides appropriations to IRS to implement tax credits included in this bill**
 - ▶ **Title IV – Department of HHS**
 - ◆ **Provides appropriations to Indian Health Service for COVID-19 diagnostic testing and services**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division A – Second Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (cont'd.)**
 - ▶ **Title V – Department of HHS**
 - ◆ **Provides appropriations to Administration for Community Living for nutrition programs assisting elderly**
 - ◆ **Also provides appropriations to Public Health and Social Services Emergency Fund**
 - **The funds are provided for National Disaster Medical System to reimburse costs of providing COVID-19 diagnostic testing and services to individuals without health insurance**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division A – Second Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (cont'd.)**
 - ▶ **Title VI – Department of Veterans Affairs**
 - ◆ **Provides appropriations Veterans Health Administration (VHA) for COVID-19 diagnostic testing and services**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division A – Second Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (cont'd.)**
 - ▶ **Title VII– General provisions – this act**
 - ◆ **§1701**
 - **Requires agencies receiving funding in this division to report to Congress regarding anticipated uses of funds**
 - ◆ **§1702**
 - **Requires state and local governments receiving funding or assistance in this division to insure that**
 - > **The respective State Emergency Operations Center receives regular and real-time reporting on aggregated data on testing and results from state and local public health departments, and**
 - > **Data is transmitted to Centers for Disease Control and Prevention (CDC)**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division A – Second Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (cont'd.)**
 - ▶ **Title VII– General provisions – this act (cont'd.)**
 - ◆ **§1703**
 - **Specifies funds provided by this division are in addition to funds otherwise appropriated to fiscal year involved**
 - ◆ **§1704**
 - **Funds provided by this division may not remain available current fiscal year, unless this division provides otherwise**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division A – Second Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (cont'd.)**
 - ▶ **Title VII– General provisions – this act (cont'd.)**
 - ◆ **§1705**
 - **Unless otherwise specified by this division, funds provided by this provision subject to authorities and conditions that apply to applicable appropriations account for FY 2020**
 - ◆ **§1706**
 - **Provides amounts designated by this division as emergency requirements are only available (or rescinded, if applicable) if the President subsequently designates amounts and transmits designations to Congress**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division A – Second Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (cont'd.)**
 - ▶ **Title VII– General provisions – this act (cont'd.)**
 - ◆ **§1707**
 - **Specifies emergency funds transferred pursuant to this division retain emergency designation**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division B – Nutrition waivers**
 - ▶ **This division expands food and nutrition programs of Department of Agriculture (USDA) due to COVID-19**
 - ▶ **Title I – maintaining essential access to Lunch for Students Act or Meals Act**
 - ◆ **§2102**
 - **Modifies USDA food and nutrition programs to allow certain waivers of requirements for school meal programs, including waivers increasing federal costs during COVID-19-related school closure**
 - **Both waivers must be requested by state or service provider and for purposes of providing meals and snacks during such closure**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division B – Nutrition waivers**
 - ▶ **This division expands food and nutrition programs of Department of Agriculture (USDA) due to COVID-19**
 - ▶ **Title II – COVID-19 – Child Nutrition Response Act**
 - ◆ **§2202**
 - **Authorizes USDA to**
 - > **Issue a single waiver of child nutrition program requirements to all states under National School Lunch Program for purposes of providing meals and snacks with appropriate safety measures with respect to COVID-19**
 - > **Grant waivers of requirements allowing non-congregate feeding in Child and Adult Care Food Program for purposes of providing meals and snacks with appropriate safety measures with respect to COVID-19, and**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division B – Nutrition waivers**
 - ▶ **This division expands food and nutrition programs of Department of Agriculture (USDA) due to COVID-19**
 - ▶ **Title II – COVID-19 – Child Nutrition Response Act (cont'd.)**
 - ◆ **§2202 (cont'd.)**
 - **Authorizes USDA to (cont'd.)**
 - > **Grant waivers related to nutritional content of meals served in child nutrition programs if it determines waiver necessary to provide meals and snacks and there is food supply chain disruption due to COVID-19**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**

- **Division B – Nutrition waivers**

- ▶ **This division expands food and nutrition programs of Department of Agriculture (USDA) due to COVID-19**

- ▶ **Title II – COVID-19 – Child Nutrition Response Act (cont'd.)**

- ◆ **§2203**

- **USDA may**

- > **Grant waivers allowing participants under Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) to get certified or recertified without being physical present at WIC clinic, and**

- > **Defer anthropometric (measurement of the size and proportions of the human body) and bloodwork requirements necessary to provided assistance under WIC**

- **State agencies must submit**

waiver requests to USDA

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division B – Nutrition waivers**
 - ▶ **This division expands food and nutrition programs of Department of Agriculture (USDA) due to COVID-19**
 - ▶ **Title III– Supplemental Nutrition Assistance Program (SNAP) waivers**
 - ◆ **§2301**
 - **Temporarily suspends work requirements under SNAP (SNAP, formerly known as food stamp program) during health emergency due to COVID-19, allowing participants who would have lost eligibility due to such requirements to continue to receive SNAP benefits**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division B – Nutrition waivers**
 - ▶ **This division expands food and nutrition programs of Department of Agriculture (USDA) due to COVID-19**
 - ▶ **Title III– Supplemental Nutrition Assistance Program (SNAP) waivers (cont'd.)**
 - ◆ **§2302**
 - **Provides for emergency SNAP benefits during public health emergency due to COVID-19**
 - **States may request waivers from USDA providing emergency allotments to households participating in SNAP addressing temporary food needs not greater than applicable maximum monthly allotment for household size, and state requests must be supported with sufficient data**
 - **USDA may adjust (through guidance or based on states' requests) administrative requirements such as issuance methods and reporting requirements to be consistent with what is practicable under actual conditions in affected areas**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division C – Emergency Family and Medical Leave Expansion Act**
 - ▶ **This division expands food and nutrition programs of Department of Agriculture (USDA) due to COVID-19**
 - ▶ **§3102**
 - ◆ **Permits employees to take public health emergency leave through December 31, 2020, to care for employee's child during a COVID-19 (i.e., coronavirus disease 2019) public health emergency**
 - ◆ **Specifically, employers of fewer than 500 workers must provide up to 12 weeks paid leave for employee who cannot work because school or child-care provider of that employee's child is closed as result of public-health emergency**
 - ◆ **Employers are not required to pay employees for first 10 days of such public health emergency leave; however, an employee may use accrued paid leave during such time**
 - ◆ **After first 10 days, employers must pay not less than two-thirds of employee's regular pay for number of hours per week employee normally works**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division C – Emergency Family and Medical Leave Expansion Act (cont'd.)**
 - ▶ **This division expands food and nutrition programs of Department of Agriculture (USDA) due to COVID-19**
 - ▶ **§3102 (cont'd.)**
 - ◆ **Maximum amount of compensation for such leave is \$200 per day and \$10,000 aggregate**
 - ◆ **Further employers are generally required to restore employee's former position following use of public health emergency leave unless, the employer**
 - **Has fewer than 25 workers, and**
 - **Has made reasonable efforts to retain employee's position but such position no longer exists due to economic conditions caused by such public health emergency**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division C – Emergency Family and Medical Leave Expansion Act (cont'd.)**
 - ▶ **This division expands food and nutrition programs of Department of Agriculture (USDA) due to COVID-19**
 - ▶ **§3102 (cont'd.)**
 - ◆ **With finding of good cause, DOL may**
 - **Exclude certain health care providers and emergency responders from eligibility for public health emergency leave, and**
 - **Exempt employers with fewer than 50 employees if requirement of this section would place viability of that business at risk**
 - ▶ **§3103**
 - ◆ **Employers subject to multiemployer bargaining agreements may make contributions to multiplayer fund to fulfill employer's obligations under this division and employees may secure compensation from such fund for leave taken subject to this division**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division C – Emergency Family and Medical Leave Expansion Act (cont'd.)**
 - ▶ **This division expands food and nutrition programs of Department of Agriculture (USDA) due to COVID-19**
 - ▶ **§3104**
 - ◆ **Employers with fewer than 50 employees for each working day during each of at least 20 work weeks during preceding year are not subject to civil liability for violation of this division**
 - ▶ **§3105**
 - ◆ **Employers of health care providers or emergency responders may exclude employees from requirements of this division**
 - ▶ **§3106**
 - ◆ **This division takes effect no later than 15 days after enactment**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division D – Emergency Unemployment Insurance Stabilization Act of 2020**
 - ▶ **§4102**
 - ◆ **Funds emergency grants for FY 2020 to administer unemployment programs in states meeting certain requirements**
 - ◆ **Amount of available funds for each state based on Department of Labor's determination of proportion of total taxable wages attributable to state during a preceding year**
 - ◆ **Each state receives 50% of such determined amount if the state**
 - **Requires employers to notify employees about availability of unemployment compensation at time employee separates from employer**
 - **Ensures unemployment applications are available through at least two of three method - in person, by phone, or online, and**
 - **Provides assistance with processing unemployment applications**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division D – Emergency Unemployment Insurance Stabilization Act of 2020 (cont'd.)**
 - ▶ **§4102 (cont'd.)**
 - ◆ **Additionally, state receiving remaining 50% of such funds if, among other requirements**
 - **Number of unemployment claims in the state has increased by 10% compared with same quarter during previous year, and**
 - **State demonstrates policies increasing access to unemployment compensation such as waiving requirement for search for work and the one-week waiting period to receive benefits, among others**
 - ▶ **§4103**
 - ◆ **Suspends accrual of interest through December 31, 2020, on federal payments to states for assistance with unemployment compensation**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division D – Emergency Unemployment Insurance Stabilization Act of 2020 (cont'd.)**
 - ▶ **§4104**
 - ◆ **Labor must assist states in raising public awareness about available short-time compensation programs and provide technical assistance and guidance for such programs**
 - ▶ **§4105**
 - ◆ **Increases to 100% federal share of payments to states for extended and regular unemployment compensation through December 31, 2020**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**

- **Division E – Emergency Paid Sick Leave Act**

- ▶ **§5102**

- ◆ **Requires employers to provide sick time to employees who are unable to work due to effects of COVID-19 (i.e., a coronavirus disease 2019)**
- ◆ **Specifically, full-time employees are entitled to 80 hour of paid sick time, which is available immediately, for use if employee**
 - **Is subject to governmental quarantine or isolation order**
 - **Has been advised by health-care provider to self-quarantine**
 - **Is caring for individual who is subject to governmental or self-quarantine**
 - **Is caring for employee's child because child's school or child-care provider is closed, or**
 - **Is experiencing substantially similar circumstances related to COVID-19 as specified by HHS, in consultation with DOL**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division E – Emergency Paid Sick Leave Act (cont'd.)**
 - ▶ **§5102 (cont'd.)**
 - ◆ **Paid sick time under this section may be used before other paid leave that may be available to an employee**
 - ◆ **Part-time employees are entitled to such paid sick time for average number of hours part-time employee works during an average two-week period**
 - ◆ **Paid sick time under this section may not carry over from one year to the next**
 - ▶ **§5103**
 - ◆ **Employers must provide conspicuous notice in the workplace of emergency paid sick time requirements under this division and Labor must provide publicly-available modes of such notice not later than seven days after enactment of this division**
 - ▶ **§5104**
 - ◆ **Employers are prohibited from taking adverse actions against employees taking leave under this division. or take actions to enforce requirements**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division E – Emergency Paid Sick Leave Act (cont'd.)**
 - ▶ **§5105**
 - ◆ **Employers violating emergency sick time requirements subject to fines and imprisonment pursuant to Fair Labor Standards Act of 1938 (FLSA)**
 - ▶ **§5106**
 - ◆ **Employers subject to multiemployer bargaining agreements may make contributions to multiemployer fund to fulfill employer's obligations under this division and employees may secure compensation from such fund for emergency paid sick time used subject to this division**
 - ▶ **§5107**
 - ◆ **This division does not effect employer rights or benefits under any other tax, collective bargaining agreement, or existing employer policy**
 - ◆ **Employers are not required to pay employees for unused emergency paid sick time if an employee resigns, retires, or is terminated**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division E – Emergency Paid Sick Leave Act (cont'd.)**
 - ▶ **§5108**
 - ◆ **Emergency paid sick time requirements take effect not later than 15 days after enactment of this division**
 - ▶ **§5109**
 - ◆ **Emergency paid sick time requirements expire on December 31, 2020**
 - ▶ **§5110**
 - ◆ **Employers with fewer than 500 employees and federal, state, and local public agencies are subject to requirements of this division**
 - ◆ **Employers must pay regular rate of pay up to**
 - **\$511 per day, and \$5,110 in aggregate, for paid sick time used by employee who experiences symptoms of COVID-19 or is required or advised to self-quarantine, or**
 - **\$200 per day, and \$2,000 in aggregate, for paid sick time used by employee who to care for employee's child or other impacted person**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division E – Emergency Paid Sick Leave Act (cont'd.)**
 - ▶ **§5111**
 - ◆ **With finding of good cause, Labor may**
 - **Exclude certain health care providers and emergency responders from eligibility for emergency paid sick leave, and**
 - ◆ **Exempt employers with fewer than 50 employees if requirements of this division would place viability of that business at risk**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division F – health provisions**
 - ▶ **§6001**
 - ◆ **Requires private health insurance to cover testing for COVID-19 without imposing cost-sharing (e.g., deductibles, coinsurance, or copayments) for duration of public health emergency declared on January 31, 2020**
 - ◆ **This coverage includes cost of administering such approved tests and related visits to health care providers**
 - ▶ **§6002**
 - ◆ **Requires Medicare to cover, without cost-sharing, visits to health care providers relating to COVID-19 testing during public health emergency**
 - ▶ **§6003**
 - ◆ **Medicare Advantage (MA) plans must also cover COVID-19 testing and related visits without cost-sharing during public health emergency**
 - ◆ **MA plans also prohibited from instituting prior authorization or other utilization management requirements with respect to coverage of such services**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division F – health provisions**
 - ▶ **§6004**
 - ◆ **Additionally, COVID-19 testing and related visits must be covered without cost-sharing under Children's Health Insurance Program (CHIP) and Medicaid during public health emergency**
 - ◆ **State Medicaid programs may also cover COVID-19 testing and related visits for uninsured individuals during this period**
 - ◆ **This section applies a 100% Federal Medical Assistance Percentage (FMAP) to such coverage**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**

- **Division F – health provisions**

- ▶ **§6005**

- ◆ **Extends targeted liability protection to certain manufacturers, distributors, prescribers, and users of approved respiratory protective devices that are**

- **Subject to specified emergency use authorizations, and**

- **Used during the period beginning on January 27, 2020, and ending on October 1, 2024**

- **Emergency use authorizations allow for use of unapproved drugs, biological products, or devices, or for unapproved use of such products, to respond to a declared emergency**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division F – health provisions**
 - ▶ **§6006**
 - ◆ **During emergency period, Department of Defense (DOD), (i.e. TRICARE) and Department of Veterans Affairs (VA) are also prohibited for requiring cost-sharing for COVID-19 and related visits**
 - ◆ **Additionally, individuals in civil service (i.e., all appointive positions in executive, judicial, and legislative branches, excluding uniformed services) who are enrolled in health benefits plan shall not be subject to cost-sharing requirements for such services**
 - ▶ **§6007**
 - ◆ **Requires HHS to cover, during public health emergency, and without cost-sharing, COVID-19 testing and related visits for Native Americans, including Alaska Natives, who receive health services through Indian Health Services (IHS), regardless of whether COVID-19 services are covered under IHS**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division F – health provisions**
 - ▶ **§6008**
 - ◆ **Increases Medicaid Federal Medical Assistance Percentage (FMAP) for all states and U.S. territories during public health emergency, in accordance with specified conditions**
 - ◆ **For example, in order to receive FMAP, a state Medicaid program may not require standards for eligibility that are more restrictive than standards in effect on January 1, 2020**
 - ▶ **§6009**
 - ◆ **Increases Medicaid funding for U.S. territories for FY 2020-FY 2021**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division G – Tax credits for paid sick and paid family and medical leave**
 - ▶ **§7001**
 - ◆ **Allows credit against payroll taxes for 100% of employer-paid qualified sick leave wages paid each calendar quarter, subject to specified limitation**
 - ◆ **Amount of sick leave wages taken into account for purposes of the credit may not exceed \$200 for any employee (\$511 per day employees as defined under Emergency Paid Sick Leave Act) and aggregate number of days taken into account limited to 10, over number of days taken into account for preceding calendar quarters**
 - ◆ **Transfers from general fund of Treasury are authorized to cover reductions revenue from this credit**
 - ▶ **§7002**
 - ◆ **Allows a refundable income tax credit for 100% of sick leave amounts of self-employed individuals under Emergency Paid Sick Leave Act**
 - ◆ **For other employees, credit percentage is 67%**
 - ◆ **Self-employed individuals must maintain documentation prescribed by IRS to establish eligibility for the credit**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division G – Tax credits for paid sick and paid family and medical leave**
 - ▶ **§7003**
 - ◆ **Allows employer 100% payroll tax credit for qualified family leave wages paid by such employer for each calendar quarter**
 - ◆ **Amount of qualified family leave wages taken into account for each employee is limited to \$200 per day and \$10,000 for all calendar quarters**
 - ◆ **Transfers from general fund of Treasury are authorized to cover reductions revenue from this credit**
 - ▶ **§7004**
 - ◆ **Allows refundable income tax credit of 100% of qualified family leave amounts of self-employed individuals, subject to specified formula for determining leave amounts**
 - ◆ **Self-employed individuals must maintain documentation prescribed by IRS to establish eligibility for the credit**

CORONAVIRUS TAX RELIEF VERSION 2 (CONT'D.)

- **H.R. 6201 – Families First Coronavirus Response Act (P.L. # 116-127, 03/18/20) (cont'd.)**
 - **Division G – Tax credits for paid sick and paid family and medical leave**
 - ▶ **§7005**
 - ◆ **Provides that wages required to be paid under Emergency Paid Sick Leave Act and Emergency Family and Medical Leave Expansion Act shall not be considered wages for purposes of the Federal Insurance Contributions Act (FICA)**
 - ◆ **Transfers to specified Social Security trust funds are authorized to cover reductions in revenues**
 - **Division H – budgetary effects**
 - ▶ **§8001**
 - ◆ **Exempts budgetary effects of division B and each succeeding division of this bill from**
 - **Statutory Pas-As-You-Go (PAYGO) Act of 2010**
 - **Senate PAYGO rule, and**
 - **Certain budget scorekeeping rules**

CORONAVIRUS TAX RELIEF VERSION 3

- **H.R. 745 – Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 27, 2020)**
 - **Division A – Small business interruption loans (SBA)**
 - ▶ **7(a) Loan Program**
 - ◆ **Defines covered loan period as beginning on March 1, 2020, and ending on December 31, 2020**
 - ◆ **Defines eligible businesses as those businesses with 500 employees, unless covered industry's SBA size standard allows more than 500 employees**
 - ◆ **Allows not for profit entities to be eligible for loans mand under this Act**
 - ◆ **Increases maximum 7(a) loan amount to \$10 million through December 31, 2020**
 - ◆ **Expands allowable uses of 7(a) loans to include payroll support, such as**
 - **Paid sick or medical leave**
 - **Employee salaries**
 - **Mortgage payments, and**
 - **Any other debt obligations**

CORONAVIRUS TAX RELIEF VERSION 3 (CONT'D.)

- **H.R. 745 – Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 27, 2020)**
 - **Division A – Small business interruption loans (SBA)**
 - ▶ **7(a) Loan Program**
 - ◆ **Provides delegated authority, which is ability for lenders to make determinations on borrower eligibility and creditworthiness without going through all of SBA's channels to all current 7(a) lenders making these loans to small businesses, and provides same authority to lenders joining the program and make these loans**
 - ◆ **For eligibility purposes, requires lenders to , instead determining payment ability, not possible during this crisis, to determine whether business was operational on March 1, 2020, and had employees for whom it paid salaries and payroll taxes**
 - ◆ **Does not allow borrower who receives loan for employee salaries, payroll support, mortgage payments and other debt obligations to receive SBA economic injury disaster loan (EIDL) for same purpose, or comingle funds from another loan for same purpose**
 - ◆ **Waives both borrower and lender fees for 7(a) loans**

CORONAVIRUS TAX RELIEF VERSION 3 (CONT'D.)

- **H.R. 745 – Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 27, 2020) (cont'd.)**
 - **Division A – Small business interruption loans (SBA) (cont'd.)**
 - ▶ **7(a) Loan Program (cont'd.)**
 - ◆ **Increases government guarantee of 7(a) loans to 100% through December 31, 2020, at which point guarantee percentages will return to 75% for loans exceeding \$150,000 and 85% for loans equal to or less than \$150,000**
 - ◆ **Allows complete deferment of 7(a) loan payments for not more than one year and requires SBA to disseminate guidance to lenders on deferred process within 30 days**
 - ◆ **Removes any statutory limitations on SBA's 7(a) lending authority through December 31, 2020**
 - ◆ **Waives both borrower and lender fees for 7(a) loans**
 - ◆ **Increases maximum loan for SBA Express loan from \$350,000 to \$1 million through December 31, 2020, after which point Express loan will have maximum of \$500,000**

CORONAVIRUS TAX RELIEF VERSION 3 (CONT'D.)

- **H.R. 745 – Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 27, 2020) (cont'd.)**
 - **Division A – Small business interruption loans (SBA) (cont'd.)**
 - ▶ **Entrepreneurial development**
 - ◆ **Authorizes SBA to provide additional funding awards to resource partners (including Small Business Development Centers and Women's Business Centers) to provide counseling, training, and education on SBA resources and business resiliency to small business owners impacted by COVID-19**
 - ◆ **Authorizes SBA to provide an association or associations representing resource partners with grants to establish**
 - **On online platform consolidating resources and information available across multiple federal agencies for small business concerns related to COVID-19, and**
 - **Training program educating resource partner counselors on various federal resources available to ensure counselors are directing small business appropriately**

CORONAVIRUS TAX RELIEF VERSION 3 (CONT'D.)

- **H.R. 745 – Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 27, 2020) (cont'd.)**
 - **Division A – Small business interruption loans (SBA) (cont'd.)**
 - ▶ **Waiver of matching funds requirement under Women's Business Center Program**
 - ◆ **Eliminates Women's Business Center (WBC) non-federal match requirement for period of three months**
 - ▶ **Loan forgiveness**
 - ◆ **Provides process by which borrowers receiving this loan are eligible for loan forgiveness in amount equal to payroll cost and costs related to debt obligations for period of March 1, 2020, through June 30, 2020**
 - ◆ **Amount of loan eligible for forgiveness will be reduced proportionally number of employees laid off during this period relative to borrowers prior employment levels**

CORONAVIRUS TAX RELIEF VERSION 3 (CONT'D.)

- **H.R. 745 – Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 27, 2020) (cont'd.)**
 - **Division A – Small business interruption loans (SBA) (cont'd.)**
 - ▶ **Direct appropriations**
 - ◆ **Section appropriates funds for following uses**
 - **\$299.4 billion for loan guarantees and loan subsidies**
 - **\$300 million for salaries and expenses**
 - **\$240 million for small business development centers and women's business centers for technical assistance for businesses**
 - **\$25 million for resource partner associations providing online information and training, \$10 million for minority business development centers for technical assistance for businesses, and**
 - **\$25 million for Office of Inspector General**

CORONAVIRUS TAX RELIEF VERSION 3 (CONT'D.)

- **H.R. 745 – Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 27, 2020) (cont'd.)**
 - **Division A – Small business interruption loans (SBA) (cont'd.)**
 - ▶ **Minority Business Development Agency**
 - ◆ **Authorizes \$10 million for Minority Business Development Agency within Department of Commerce to provide grants to Minority Business Centers (MBCs) for purpose of providing counseling, training, and education on federal resources and business response to coronavirus for small business**
 - ◆ **Waiver of prepayment penalty**
 - **Removes any prepayment penalties for loans made under this title on or before December 31, 2020**
 - ◆ **United States Treasury Program Management Authority**
 - **Allows Department of Treasury, in consultation with SBA, and other federal financial regulatory agencies, to establish process by which lending institutions not currently authorized to offer SBA loan products are able to provide SBA small business interruption loans for length of President's national emergency declaration**
 - **Allow Treasury to determine eligibility criteria and terms for approved lenders to disseminate small business interruptions loans**

CORONAVIRUS TAX RELIEF VERSION 3 (CONT'D.)

- **H.R. 745 – Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 27, 2020) (cont'd.)**
 - **Division B – relief for individuals, families, and businesses**
 - ▶ **Title I – recovery checks and other individual provisions**
 - ◆ **§2101 – 2020 recovery rebates for individuals**
 - **Recovery checks of up to \$1,200 will be put in hands of most taxpayers, providing cash immediately to individuals and families**
 - **Married couples filing jointly eligible up to \$2,400, and those amounts increase \$500 for every child**
 - **Checks reduced for higher income taxpayers and begin phasing out after single taxpayer has \$75,000 in AGI and \$150,000 for joint filers**
 - **IRS bases amounts on taxpayer's 2018 tax return**
 - **Rebate amount reduced by \$5 for each \$100 taxpayer's income exceeds phase-out threshold**
 - **Amount completely phased-out for single taxpayers with incomes exceeding \$99,000 and \$198,000 for joint filers**
 - **IRS bases these amounts on taxpayer's 2018 tax return**

CORONAVIRUS TAX RELIEF VERSION 3 (CONT'D.)

- **H.R. 745 – Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 27, 2020) (cont'd.)**
 - **Division B – relief for individuals, families, and businesses (cont'd.)**
 - ▶ **Title I – recovery checks and other individual provisions (cont'd.)**
 - ◆ **§2101 – 2020 recovery rebates for individuals (cont'd.)**
 - **Taxpayers with little or no income tax liability, but at least \$2,500 of qualifying income, would be eligible for minimum rebate check of \$600 (\$1,200) if married**
 - **Qualifying income includes earned income, as well as Social Security retirement benefits and certain compensation and pension benefits paid to veterans**
 - **This ensures relief gets to low-income seniors and disabled veterans**

CORONAVIRUS TAX RELIEF VERSION 3 (CONT'D.)

- **H.R. 745 – Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 27, 2020) (cont'd.)**
 - **Division B – relief for individuals, families, and businesses (cont'd.)**
 - ▶ **Title I – recovery checks and other individual provisions (cont'd.)**
 - ◆ **§2102 – delay of certain deadlines**
 - **Provision extends April 15 filing deadline date to July 15, giving individuals more time to file tax returns given limitations caused by COVID-19 emergency**
 - **Filing date would be aligned with extended payment filing date already announced by IRS**
 - **This ensures relief gets to low-income seniors and disabled veterans**
 - **Provision also allows all individuals to postpone estimated tax payments due from date of enactment until October 15, 2020**
 - **There is no cap on amount of tax payments postponed, and any individual required to make estimated tax payments can tax advantage of the postponement**
 - **Delay should increase available cash flow for individuals experiencing cash shortfalls as result of COVID-19 emergency**

CORONAVIRUS TAX RELIEF VERSION 3 (CONT'D.)

- **H.R. 745 – Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 27, 2020) (cont'd.)**
 - **Division B – relief for individuals, families, and businesses (cont'd.)**
 - ▶ **Title I – recovery checks and other individual provisions (cont'd.)**
 - ◆ **§2103 – special rules for use of retirement funds**
 - **Consistent with previous disaster-related relief, provision waives 10% early withdrawal penalty for distributions up to \$100,000 from qualified retirement accounts for coronavirus related purposes**
 - **Additionally, income attributable to such distributions would be subject to tax over three years, and taxpayer may recontribute funds to an eligible retirement plan with three years without regard to that year's cap on contributions**
 - **Further, provision provides flexibility for loans from certain retirement plans for coronavirus-related relief**

CORONAVIRUS TAX RELIEF VERSION 3 (CONT'D.)

- **H.R. 745 – Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 27, 2020) (cont'd.)**
 - **Division B – relief for individuals, families, and businesses (cont'd.)**
 - ▶ **Title I – recovery checks and other individual provisions (cont'd.)**
 - ◆ **§2103 – special rules for use of retirement funds (cont'd.)**
 - **Coronavirus-related distribution is distribution made to individual**
 - > **Who is diagnosed with COVID-19**
 - > **Whose spouse or dependent is diagnosed with COVID-19, or**
 - > **Who experiences adverse financial consequences as result of being quarantined, furloughed, laid off, having work hours reduced, being unable to work due to lack of child care due to COVID-19, closing or reducing hours of a business owned or operated by the individual due to COVID-19, or other factors as determined by Treasury Secretary**

CORONAVIRUS TAX RELIEF VERSION 3 (CONT'D.)

- **H.R. 745 – Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 27, 2020) (cont'd.)**
 - **Division B – relief for individuals, families, and businesses (cont'd.)**
 - ▶ **Title I – recovery checks and other individual provisions (cont'd.)**
 - ◆ **§2104 – allowance of partial above the line deduction for charitable contributions**
 - **Provision encourages Americans to contribute to churches and charitable organizations in 2020 by permitting them to deduct up to \$300 of cash contributions, whether they itemize their deductions or not**
 - ◆ **§2105 – modification of limitations on charitable contributions during 2020**
 - > **Provision increases limitations on deductions for charitable contributions by individuals who itemize, as well as corporations**
 - > **For individuals, 50% of AGI limitation suspended for 2020**
 - > **For corporations, 10% limitation increased to 25% of taxable income**
 - > **Provision increases limitation on deductions for contributions of food inventory from 15% to 25%**

CORONAVIRUS TAX RELIEF VERSION 3 (CONT'D.)

- **H.R. 745 – Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 27, 2020) (cont'd.)**
 - **Division B – relief for individuals, families, and businesses (cont'd.)**
 - ▶ **Title II– business provisions**
 - ◆ **§2201 – delay of estimated tax payments for corporations**
 - **Provision allows corporations to postpone estimated tax payments due after date of enactment until October 15, 2020**
 - **There is no cap of amount of tax payments postponed**
 - **This delay will provide critical cash flow to help businesses maintain operations and continue paying employees during COVID-19 emergency**

CORONAVIRUS TAX RELIEF VERSION 3 (CONT'D.)

- **H.R. 745 – Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 27, 2020) (cont'd.)**
 - **Division B – relief for individuals, families, and businesses (cont'd.)**
 - ▶ **Title II– business provisions (cont'd.)**
 - ◆ **§2202 – delay of payment of employer payroll taxes**
 - **Provision allows employees and self-employed individuals to defer payment of employer share of Social Security tax they are responsible for paying to federal government with respect to their employee**
 - **All employers are responsible for paying a 6.2% Social Security tax on employee wages**
 - **Provision requires deferred payment tax be paid over following two years, with half of amount required to be paid by December 31, 2021, and other half by December 31, 2022**
 - **Social Security Trust Funds will be held harmless under this provision**

CORONAVIRUS TAX RELIEF VERSION 3 (CONT'D.)

- **H.R. 745 – Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 27, 2020) (cont'd.)**
 - **Division B – relief for individuals, families, and businesses (cont'd.)**
 - ▶ **Title II– business provisions (cont'd.)**
 - ◆ **§2203 – modification for net operating losses (NOLs)**
 - **Provision relaxes limitation on company's use of losses from prior years**
 - **NOLs are currently subject to taxable income limitation, and cannot be carried back to reduce income in prior tax year**
 - **Provision provides loss from 2018, 2019, or 2020 can be carried back five years**
 - **Provision also temporarily removes taxable income limitation allowing NOL to fully offset income**
 - **These changes allow companies to utilize losses and amend prior years' returns, which provide critical cash flow and liquidity during COVID-19 emergency**

CORONAVIRUS TAX RELIEF VERSION 3 (CONT'D.)

- **H.R. 745 – Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 27, 2020) (cont'd.)**
 - **Division B – relief for individuals, families, and businesses (cont'd.)**
 - ▶ **Title II– business provisions (cont'd.)**
 - ◆ **§2204 – Modification on limitation on losses for taxpayers other than corporations**
 - **Provision modifies loss limitation applicable to pass-through businesses and sole proprietors, so they can benefit from NOL carryback rules previously described and access critical cash flow to maintain operations and payroll for their employees**
 - ◆ **§2205 – Modification of credit for prior year minimum tax liability of corporations**
 - **Corporate AMT was repealed as part of TCJA, but corporate AMT credits were made available as refundable credits over several years, ending in 2021**
 - **Provision accelerates ability for companies to recover AMT credits, permitting companies to claim refund now and obtain additional cash flow during COVID-19 emergency**

CORONAVIRUS TAX RELIEF VERSION 3 (CONT'D.)

- **H.R. 745 – Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 27, 2020) (cont'd.)**
 - **Division B – relief for individuals, families, and businesses (cont'd.)**
 - ▶ **Title II– business provisions (cont'd.)**
 - ◆ **§2206 – modification on limitation of business interest**
 - **Provision temporarily increases amount of interest expense businesses allowed to deduct on tax returns, by increasing 30% to 50% of taxable income for 2019 and 2020**
 - **As businesses look to weather storm of current crisis, provision will allow them to increase liquidity with reduced cost of capital, so they are able to continue operations and keep employees on payroll**
 - ◆ **§2207 – technical amendment regarding qualified improvement property**
 - **Provision enables businesses, especially in hospitality industry, to immediately write off costs over 39-year life of the building**
 - **Provision, which corrects error in TCJA, not only increases companies' access to cash flow by allowing them to amend prior year return, but also incentivizes them to continue to invest in improvements as country recovers from COVID-19 emergency**

CORONAVIRUS TAX RELIEF VERSION 3 (CONT'D.)

- **H.R. 745 – Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 27, 2020) (cont'd.)**
 - **Division B – relief for individuals, families, and businesses (cont'd.)**
 - ▶ **Title II– business provisions (cont'd.)**
 - ◆ **§2208 – installments not to prevent credit or refund of overpayments or increase estimated taxes**
 - **IRC §965, the one-time repatriation toll charge, imposed tax on untaxed foreign earnings of U.S. companies in 2017**
 - **Companies had option to pay the tax up front, or in installments over eight years**
 - **Some companies overpaid their 2017 taxes as result of IRC §965, but were unable to claim refund of those taxes due to interaction with rules for electing installment payments**
 - **Provision, which corrects error in TCJA, allows companies to recover overpayment of taxes paid on toll charge to help with liquidity during current crisis**

CORONAVIRUS TAX RELIEF VERSION 3 (CONT'D.)

- **H.R. 745 – Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 27, 2020) (cont'd.)**
 - **Division B – relief for individuals, families, and businesses (cont'd.)**
 - ▶ **Title II– business provisions (cont'd.)**
 - ◆ **§2209 – restoration of limitation on downward attribution of stock ownership in applying constructive ownership rules**
 - **The technical correction addresses tax treatment of certain foreign subsidiaries resulting from changes made by TCJA, which changed ownership requirements of foreign entities subject to U.S. tax**
 - **The goal in changing these ownership rules was to target certain abusive transactions**
 - **However, changes had unintended consequence of subjecting some foreign entities to excessive tax and reporting requirements**
 - **Provision clarifies certain foreign subsidiaries should not be subject to those requirements, which will permit companies to amend their 2018 return to free up critical cash for operations and payroll and significantly reduce their tax compliance burden this year**

CORONAVIRUS TAX RELIEF VERSION 3 (CONT'D.)

- **H.R. 745 – Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 27, 2020) (cont'd.)**
 - **Division C – assistance to severely distressed sectors of U.S. economy**
 - ▶ **The legislation provides total of \$208 billion to the Secretary of the Treasury, through Exchange Stabilization Fund, providing sufficiently collateralized loans and loan guarantees to eligible entities, broken out in following amounts**
 - **Up to \$50 billion for passenger air carriers**
 - **Up to \$8 billion for cargo air carriers, and**
 - **Up to \$150 billion for other eligible entities**
 - ◆ **Treasury Secretary is afforded flexibility to provide collateralized loans and loan guarantees to domestic entities “that have incurred losses as a direct result of the coronavirus global pandemic” so they can maintain operations**
 - ◆ **Entities eligible for loans or loan guarantees are those for whom credit is not otherwise reasonably available at the time of the transaction**

CORONAVIRUS TAX RELIEF VERSION 3 (CONT'D.)

- **H.R. 745 – Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 27, 2020) (cont'd.)**
 - **Division C – assistance to severely distressed sectors of U.S. economy (cont'd.)**
 - ▶ **An entity is only eligible for relief if Treasury Secretary determines its continued operations are jeopardized as a result of losses stemming directly from the outbreak**
 - ▶ **Interest rates on any loans extended by Treasury Secretary may be no less than current average yield on outstanding marketable obligations of the U.S. of comparable maturity**
 - ▶ **The legislation explicitly bars Treasury Secretary from using the funds provided to make grants or direct cash payments to entities: “Nothing in this Act shall be construed to allow the President or Treasury Secretary to provide relief to eligible entities except in the form of sufficiently collateralized loans and loan guarantees.”**
 - ▶ **The legislation also mandates that compensation for, or provide golden parachutes to, executives over a two-year period from the date of enactment**

CORONAVIRUS TAX RELIEF VERSION 3 (CONT'D.)

- **H.R. 745 – Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 27, 2020) (cont'd.)**
 - **Division C – assistance to severely distressed sectors of U.S. economy (cont'd.)**
 - ▶ **Legislation directs Treasury Secretary, to extent feasible and practicable, to ensure Government is compensated for the risk assumed in making loans and loan guarantees**
 - ▶ **To that end, “the [Treasury] Secretary is authorized to enter into contracts under which the Government, contingent on the financial success of the eligible entity, would participate in the gains of the eligible entity or its security holders through the use of such instruments as warrants, stock options, common or preferred stock, or other appropriate equity instruments.”**
 - ▶ **The provision repeals Federal Excise Taxes collected in relation to commercial aviation, and excise taxes are applied to the transportation of persons (the ticket tax), the transportation of property (cargo tax) and aviation fuel (this provision repeals those excise taxes from the date of enactment of this legislation through December 31, 2020**

CORONAVIRUS TAX RELIEF VERSION 3 (CONT'D.)

- **H.R. 745 – Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 27, 2020) (cont'd.)**
 - **Division D – health care response**
 - ▶ Attached separately
 - **DIVISION E- temporary permit use to guarantee money market mutual funds**
 - ▶ Temporarily suspend the statutory limitation on the use of the Exchange Stabilization Fund (§ 131 of the Emergency Economic Stabilization Act of 2008) for guarantee programs for the U.S. money market mutual fund (MMMF) industry
 - ▶ **Sunset date: Terminate authority to establish any new MMMF guarantee program upon the conclusion of the National Emergency Concerning the Coronavirus Disease 2019 (COVID-19) Outbreak declared by the President on March 13, 2020.**
 - **DIVISION F—BUDGETARY PROVISIONS**
 - ▶ Emergency designation

CONGRESS APPROVES ECONOMIC RELIEF PLAN FOR INDIVIDUALS AND BUSINESSES

- **Tax Foundation by Garrett Watson, Taylor LaJoie, Huaqun Li, David Bunn (March 27, 2020, last updated at 4:46 PM)**

- **Key updates**

- ▶ **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 independent contractors, and those with limited work history**

- ◆ **Federal government will provide temporary full funding of first week of regular unemployment for states with no waiting period and extend UI benefits for additional 13 weeks through December 31, 2020 after state UI benefits end**

- ▶ **Proposed recovery rebates will use 2019 tax returns (2018 if the taxpayer has not filed in 2019) to determine advanced rebate amount and reconcile the rebate based on 2020 income**

- ◆ **This means taxpayers who receive a smaller rebate than eligible for based on 2020 income will receive difference after filing a 2020 tax return, but over-rebates due to a higher income in 2020 will not be clawed back**

CONGRESS APPROVES ECONOMIC RELIEF PLAN FOR INDIVIDUALS AND BUSINESSES (CONT'D.)

- **Tax Foundation by Garrett Watson, Taylor LaJoie, Huaqun Li, David Bunn (March 27, 2020, last updated at 4:46 PM) (cont'd.)**
 - **Key updates (cont'd.)**
 - ▶ **Employers are eligible for a 50% refundable payroll tax credit on wages paid up to \$10,000 during the crisis**
 - ◆ **Credit would be available to employers whose businesses were disrupted due to virus shutdowns and those having decrease in gross receipts of 50% or more when compared to same quarter last year**
 - ◆ **Credit can be claimed for employees who are 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**
 - ▶ **Certain employer payments of student loans on behalf of employees are excluded from taxable income**
 - ◆ **Employers may contribute up to \$5,250 annually toward student loans, and the payments would be excluded from an employee's income**

FILING AND PAYMENT DEADLINES QUESTIONS AND ANSWERS (IRS NOTICE 2020-18)

● Eligibility

- Who is eligible for relief under the Notice?
- Do I have to actually be sick, or quarantined, or have any other impact from COVID-19 to qualify for payment relief?
- What are form numbers of specific federal income tax returns whose filing deadlines have been postponed, from April 15 to July 15, under the Notice?
- I am a fiscal year filer. My federal income tax return for fiscal year 2019 is due on April 15, 2020. Am I an "affected taxpayer" eligible for relief under the Notice?
- What about businesses or other entities having filing due dates on May 15, or June 15, or some other date besides April 15. Have their filing and payment deadlines been postponed?
- Does relief provided in the Notice apply to payroll or excise taxes?
- Does relief provided in the Notice apply to estate and gift taxes?
- Does relief provided in the Notice apply to IRC §965(h) installment payments due on April 15, 2020?
- Does relief provided in the Notice apply to estimated payments for corporation required to make payments under IRC §59A (Basis Erosion and Anti-Abuse Tax, or BEAT)?
- Does relief provided in the Notice apply to filing of information returns?

FILING AND PAYMENT DEADLINES QUESTIONS AND ANSWERS (IRS NOTICE 2020-18) (CONT'D.)

- **Filing and paying your 2019 federal income taxes and your first quarter 2020 federal estimated income taxes**
 - **I haven't filed my 2019 income tax return that would have been filed by April 15 yet, but I expect to file it by July 15. What do I do?**
 - **What if I am unable to file my 2019 income tax return that would have been due by April 15 by July 15, 2020?**
 - **I already filed my 2019 income tax return that would have been due on April 15 and I owe taxes, but haven't paid yet. What do I need to do to avoid interest and penalties?**
 - **I already filed my 2019 income tax return that would have been due on April 15 and scheduled a payment of taxes for April 15, 2020. Will this payment be automatically rescheduled to July 15, 2020**
 - **Does relief apply to state tax liabilities?**
 - **The Notice postpones the deadline for first quarter 2020 estimated income tax payments due on April 15, 2020. What about second quarter estimated tax payments due on June 15? Have they been postponed as well?**

FILING AND PAYMENT DEADLINES QUESTIONS AND ANSWERS (IRS NOTICE 2020-18) (CONT'D.)

- **Individual Retirement Accounts (IRAs) and workplace-based retirement plans**
 - **Does this relief provide me more time to contribute money to my IRA for 2019?**
 - **If I owe the 10% additional tax on amounts includible in gross income from a distribution that I took from my IRA or workplace-based retirement plan in 2019, is the due date for paying that additional tax also extended to July 15, 2020, on account of this relief?**
 - **I made excess elective deferrals to my workplace-based retirement plan in 2019. Do I have to take those excess deferrals (and income) out of the retirement plan no later than April 15, 2020, in order to exclude the distributions from income?**
 - **For employers with federal income tax return due date of April 15, 2020, is the end of the grace period under IRC §404(a)(6) to make contributions to their qualified retirement plans on account of 2019 also July 15, 2020, as a result of this relief?**

FILING AND PAYMENT DEADLINES QUESTIONS AND ANSWERS (IRS NOTICE 2020-18) (CONT'D.)

- **Health Savings Accounts (HSAs) and Archer Medical Savings Accounts (HSAs)**
 - **Does this relief provide me more time to contribute money to my HSA or Archer MSA for 2019?**
- **Other questions**
 - **I want to file a claim for a refund for 2016, which must be filed by April 15, 2020, to be timely. Does this relief give me more time to claim my 2016 refund?**
 - **Does this relief postpone the time for filing Form 4466, Corporation Application for Quick Refund of Overpayment of Estimated Tax?**
 - **I failed to make the required installments of estimated tax in the required amounts during 2019 for my 2019 taxable year. Does this relief apply to an estimated tax penalty for 2019?**

IRS UNVEILS NEW PEOPLE FIRST INITIATIVE; COVID-19 EFFORT TEMPORARILY ADJUSTS, SUSPENDS KEY COMPLIANCE PROGRAMS

● IR-2020-59 (03/25/20)

- To help people facing challenges of COVID-19 issues, IRS announced sweeping series of steps to assist taxpayers by providing relief on variety of issues ranging from easing payment guidelines to postponing compliance actions
- The new changes include new issues ranging from postponing certain payments related to Installment Agreements and Offers in Compromise to collection and limiting certain enforcement actions
- IRS will be temporarily modifying following activities as soon as possible; projected start date is April 1 and the effort will initially run through July 15
- Existing installment agreement
 - ◆ For taxpayers under existing Installment Agreement, payments due between April 1 and July 15, 2020, are suspended
 - ◆ Taxpayers currently unable to comply with terms of Installment Payment Agreement, may suspend payments during this period if they prefer
 - ◆ Furthermore, IRS will not default any Installment Agreements during this period
 - ◆ By law, interest will continue to accrue on any unpaid balances

IRS UNVEILS NEW PEOPLE FIRST INITIATIVE; COVID-19 EFFORT TEMPORARILY ADJUSTS, SUSPENDS KEY COMPLIANCE PROGRAMS (CONT'D.)

●IR-2020-59 (03/25/20) (cont'd.)

—New installment agreements

◆ IRS reminds people unable to fully pay their federal taxes that they can resolve outstanding liabilities by entering into monthly payment agreement with IRS

—Offers in compromise (OIC) – IRS is taking several steps to assist taxpayers in various stages of OIC process

◆ Pending applications

→ IRS will allow taxpayers until July 15, to provide requested additional information to support pending OIC

→ Additionally, IRS will not close any pending OIC request before July 15, 2020, without taxpayer's consent

◆ OIC payments

→ taxpayers have option of suspending all payments on accepted OICs until July 15, 2020, although by law interest will continue to accrue on any unpaid balances

IRS UNVEILS NEW PEOPLE FIRST INITIATIVE; COVID-19 EFFORT TEMPORARILY ADJUSTS, SUSPENDS KEY COMPLIANCE PROGRAMS (CONT'D.)

- **IR-2020-59 (03/25/20) (cont'd.)**

- **Offers in compromise (OIC) – IRS is taking several steps to assist taxpayers in various stages of OIC process (cont'd.)**

- ◆ **Delinquent return filings**

- **IRS will not default on OIC for those taxpayers delinquent in filing tax return for 2018**

- **However, taxpayers should file any delinquent 2018 return (and their 2019 return) on or before July 15, 2020**

- ◆ **New OIC applications**

- **IRS reminds people facing liability exceeding their net worth that OIC process is designed to resolve outstanding tax liabilities by providing a "Fresh Start"**

IRS UNVEILS NEW PEOPLE FIRST INITIATIVE; COVID-19 EFFORT TEMPORARILY ADJUSTS, SUSPENDS KEY COMPLIANCE PROGRAMS (CONT'D.)

● IR-2020-59 (03/25/20) (cont'd.)

— Non-filers

- ◆ IRS reminds people who have not filed their return for tax years before 2019 that they should file delinquent returns
- ◆ More than 1 million households that haven't filed tax returns during last three years are actually owed refunds
- ◆ Field collection activities
 - Liens and levies (including any seizures of personal residence) initiated by field revenue officers will be suspended during this period
 - However, field revenue officers will continue to pursue high-income non-filers and perform other similar activities where warranted
- ◆ Automated liens and levies
 - New automatic system liens and levies will be suspended during this period

IRS UNVEILS NEW PEOPLE FIRST INITIATIVE; COVID-19 EFFORT TEMPORARILY ADJUSTS, SUSPENDS KEY COMPLIANCE PROGRAMS (CONT'D.)

●IR-2020-59 (03/25/20) (cont'd.)

—Passport certifications to state department

◆IRS will suspend new certifications to Department of State for taxpayers who are "seriously delinquent" during this period

◆These taxpayers are encouraged to submit a request for an Installment Agreement or, if applicable, an OIC during this period

◆Certification prevents taxpayers from receiving or renewing passports

—Private debt collection

◆New delinquent accounts will not be forwarded by the IRS to private collection agencies to work during this period

IRS UNVEILS NEW PEOPLE FIRST INITIATIVE; COVID-19 EFFORT TEMPORARILY ADJUSTS, SUSPENDS KEY COMPLIANCE PROGRAMS (CONT'D.)

● IR-2020-59 (03/25/20) (cont'd.)

—Field, office, and correspondence audits

◆ During this period, IRS will generally not start new field, office and correspondence examinations

◆ They will continue to work refund claims where possible, without in-person contact

◆ However, IRS may start new examinations where deemed necessary to protect government's interest in preserving applicable statute of limitations

◆ In-Person Meetings

→ In-person meetings regarding current field, office and correspondence examinations will be suspended

→ Even though IRS examiners will not hold in-person meetings, they will continue their examinations remotely, where possible

→ To facilitate progress of open examinations, taxpayers are encouraged to respond to any requests for information they already have received - or may receive - on all examination activity during this period if they are able to do so

IRS UNVEILS NEW PEOPLE FIRST INITIATIVE; COVID-19 EFFORT TEMPORARILY ADJUSTS, SUSPENDS KEY COMPLIANCE PROGRAMS (CONT'D.)

● IR-2020-59 (03/25/20) (cont'd.)

— Field, office, and correspondence audits (cont'd.)

◆ Unique situations

→ Particularly for some corporate and business taxpayers, IRS understands that there may be instances where taxpayers desire to begin an examination while records are available and respective staffs have capacity

→ In those instances when it's in best interest of both parties and appropriate personnel are available, IRS may initiate activities to move forward with an examination - understanding that COVID-19 developments could later reduce activities for an agreed period

◆ General requests for information

→ In addition to compliance activities and examinations, IRS encourages taxpayers to respond to any other IRS correspondence requesting additional information during this time if possible

IRS UNVEILS NEW PEOPLE FIRST INITIATIVE; COVID-19 EFFORT TEMPORARILY ADJUSTS, SUSPENDS KEY COMPLIANCE PROGRAMS (CONT'D.)

●IR-2020-59 (03/25/20) (cont'd.)

—Earned Income Tax Credit and Wage Verification Reviews

◆ Taxpayers have until July 15, 2020, to respond to IRS to verify that they qualify for Earned Income Tax Credit or to verify their income

◆ These taxpayers are encouraged to exercise their best efforts to obtain and submit all requested information, and if unable to do so, please reach out to the IRS indicating the reason such information is not available

◆ Until July 15, 2020, IRS will not deny these credits for a failure to provide requested information

—Independent Office of Appeals

◆ Appeals employees will continue to work their cases

◆ Although Appeals is not currently holding in-person conferences with taxpayers, conferences may be held over the telephone or by videoconference

◆ Taxpayers are encouraged to promptly respond to any outstanding requests for information for all cases in Independent Office of Appeals

IRS UNVEILS NEW PEOPLE FIRST INITIATIVE; COVID-19 EFFORT TEMPORARILY ADJUSTS, SUSPENDS KEY COMPLIANCE PROGRAMS (CONT'D.)

- **IR-2020-59 (03/25/20) (cont'd.)**

- **Statute of Limitations**

- ◆ **IRS will continue to take steps where necessary to protect all applicable statutes of limitations**

- ◆ **In instances where statute expirations might be jeopardized during this period, taxpayers are encouraged to cooperate in extending such statutes**

- ◆ **Otherwise, IRS will issue Notices of Deficiency and pursue other similar actions to protect interests of the government in preserving such statutes**

- ◆ **Where a statutory period is not set to expire during 2020, IRS is unlikely to pursue foregoing actions until at least July 15, 2020**

IRS UNVEILS NEW PEOPLE FIRST INITIATIVE; COVID-19 EFFORT TEMPORARILY ADJUSTS, SUSPENDS KEY COMPLIANCE PROGRAMS (CONT'D.)

●IR-2020-59 (03/25/20) (cont'd.)

—Practitioner Priority Service (PPS)

◆Practitioners are reminded that, depending on staffing levels and allocations going forward, there may be more significant wait times for the PPS

◆The IRS will continue to monitor this as situations develop

◆"The IRS will continue to review and, where appropriate, modify or expand the People First Initiative as we continue reviewing our programs and receive feedback from others,"

Commissioner Rettig said

◆"We are committed to helping people get through this period, and our employees will remain focused on these and other helpful efforts in the days and weeks ahead. I ask

personal support, your understanding – and your patience – as we navigate

our way forward for your others," Commissioner Rettig

continued

HIGH-DEDUCTIBLE HEALTH PLANS (HDHPs) CAN COVER CORONAVIRUS COSTS

- **IR-2020-54 (03/11/20)**

- **IRS advised that HDHPs can pay for 2019 Novel Coronavirus (COVID-19)-related testing and treatment without jeopardizing their status**
- **This also means that an individual with HDHP covering these costs may continue to contribute to a Health Savings Plan (HSA)**
- **In Notice 2020-15 posted today on IRS.gov, IRS said health plans otherwise qualifying as HDHPs will not lose that status merely because they cover cost of testing for treatment of COVID-19 before plan deductibles have been met**
- **IRS also noted that, as in the past, any vaccination costs continue to count as preventive care and can be paid for by HDHP**
- **This notice applies only to HAS-eligible HDHPs, and employees and other taxpayers in any other type of health plan with specific questions about their own plan and what it covers should contact their plan**

INFORMATION RESOURCES

- ▶ www.irs.gov/coronavirus
- ▶ SBA - WWW.SBA.GOV
- ▶ PPP - WWW.SBA.GOV
- ▶ PPP - Your individual bank website
- ▶ State of Florida
- ▶ <https://covid19.floridajobs.org/>
- ▶ <http://floridasbdc.org/disaster/>
- ▶ BBIF - www.bbifflorida.com

**Please do your best to stay safe during this pandemic.
We are counting on you to do so as are your
family and extended family!**

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