



U.S. Congressman

JOHN KATKO

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Dear Friend,

As New York State and the Federal Government continue to respond to the Coronavirus pandemic with widespread efforts to prevent the spread of this disease, I recognize the toll this is taking on many local employers, small businesses, and Central New York's workforce.

I have worked to provide vital relief to our community. Recently, I supported passage of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, a bipartisan, bicameral bill that provides relief to small and medium-sized businesses that have been crippled in recent weeks.

The below packet contains information to help provide local businesses and 501c3 nonprofits with important information and resources. If you have questions or concerns, please do not hesitate to reach out to my Syracuse office at (315) 423-5657.

Sincerely,

John Katko (NY-24)

Member of Congress

INFORMATION FOR CENTRAL NEW YORK BUSINESSES ON FEDERAL PROGRAMS IN RESPONSE TO COVID-19

Access to Capital

Paycheck Protection Program

Under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Paycheck Protection Loans will be provided through the Small Business Administration's 7(a) program to cover payroll costs and other specified business expenses for qualifying employers.

These loans will be available at an interest rate of 4% with maximum loan amounts limited to \$10 million or 2.5 times average monthly payroll based on the previous year's payroll.

Paycheck Protection Loans may be used to cover:

- Payroll costs, including salaries, commissions, the continuation of healthcare benefits during periods of sick, medical, or family leave, and insurance premiums
- Payments of interest on mortgage obligations, not including any payments or prepayments on the principal of a mortgage loan
- Rent, including rent under a lease agreement
- Interest on any other debt obligations incurred before February 15, 2020

Qualifying businesses include:

- Businesses with less than 500 employees
- 501(c)3 Non-Profit organizations with less than 500 employees
- Sole proprietorships
- Independent contractors
- Self-employed individuals

*Small businesses in the food and hospitality industry with less than \$500 million gross receipts may be eligible at the store location if the store employs less than 500 people. Assistance will extend down to the store location for franchisees whose franchisor is listed in the SBA's National Franchise Directory.

Loan Forgiveness: Businesses that participate in the Paycheck Protection Program and maintain payroll continuity from February 15, 2020 to June 30, 2020 may request forgiveness for a Paycheck Protection Program loan used for qualifying expenses over an 8 week period.

For the purposes of the Paycheck Protection Program, payroll continuity is defined by payroll headcount. Borrowers must verify payroll continuity with participating lenders through documentation.

Loan forgiveness will be reduced proportionally for any reduction in employees retained compared to the previous year, as well as for the reduction in pay of any employee beyond 25% of their compensation in the previous year. Borrowers that re-hire workers that have been previously laid off due to the COVID-19 pandemic will not be penalized for having a reduced payroll at the beginning of the period.

Economic Injury Disaster Loan Program

Under the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020, the coronavirus was deemed a disaster under the SBA's Economic Injury Disaster Loan program. This change made economic injury from the coronavirus an eligible EIDL expense.

The SBA's EIDL Program provides small businesses and non-profit organizations with working capital loans of up to \$2 million to help overcome temporary loss of revenue. The loans may be used to pay fixed debts, payroll, accounts payable, or other bills that can't be paid because of the COVID-19 outbreak. The interest rate is 3.75% for small businesses without credit available elsewhere and the interest rate for non-profits is 2.75%. The maximum term is 30 years.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed into law on March 27, 2020, included a provision allowing small business owners the opportunity to receive up to a \$10,000 advance on an Economic Injury Disaster Loan for emergency capital. This advance should be available to a business owner within 3-days of the request.

SBA Administrator Jovita Carranza has approved a statewide disaster declaration for NY. Eligible small businesses may now apply for SBA Economic Injury Disaster Loans (EIDL) online at <https://disasterloan.sba.gov/ela>.

Please review the fact sheet with important information about the declaration and EIDL requirements [Economic Disaster Loan fact sheet](#). Businesses can take advantage of free assistance offered by SBA's network of Resource Partners for help with preparing their loan applications. They may visit www.sba.gov/local-assistance to find local help.

The NYS Small Business Development Center network recommends submitting a request for assistance online at <http://nyssbdc.org/appointment.html>.

Application Filing Deadline: December 21, 2020

For further information, please contact the SBA disaster assistance customer service center. Call 1-800-659-2955 (TTY: 1-800-877-8339) or e-mail disastercustomerservice@sba.gov.

IRS Tax Filings and Tax Relief

Treasury and IRS Guidance on Extending Tax Filings Due to COVID-19 Outbreak

The Treasury Department and Internal Revenue Service have announced that the federal income tax filing due date is automatically extended from April 15, 2020, to July 15, 2020. Taxpayers can also defer federal income tax payments due on April 15, 2020, to July 15, 2020, without penalties and interest, regardless of the amount owed. This deferment applies to all taxpayers, including individuals, trusts and estates, corporations and other non-corporate tax filers as well as those who pay self-employment tax.

Tax Relief

The Coronavirus Aid, Relief, and Economic Security (CARES) Act includes a provision allowing employers to defer payroll tax payments over the course of two years. The CARES Act also provides a refundable tax credit for 50% of wages paid by employers whose operations were suspended due to COVID-19 or whose gross receipts declined by more than 50%.

Provisions in the CARES Act expand relief under the Tax Cuts and Jobs Act by allowing immediate write offs for costs associated with investments in qualified improvement properties. The CARES Act also provides additional flexibility by allowing businesses to carry back net operating losses over multiple tax years and increasing deductions for business interest.

Additional information regarding IRS resources to address COVID-19 can be found at: <https://www.irs.gov/coronavirus>

Qualified Leave Guidelines

Under the Families First Coronavirus Response Act, the following leave requirements will take effect on April 2, 2020 and expire on December 31, 2020:

Paid Sick Leave

Under the Families First Coronavirus Response Act, private employers with fewer than 500 employees must provide the following sick leave options:

- 2 weeks paid sick leave at an employee's regular rate of pay (capped at \$511/day and \$5,110 total) for a full-time employee who:
 - Is subject to a federal, state or local quarantine related to COVID-19.
 - Has been advised by a health provider to self-quarantine.
 - Is experiencing symptoms of COVID-19 and is seeking a medical diagnosis.

- 2 weeks paid sick leave at 2/3 of an employee's regular rate of pay (capped at \$200/day and \$2,000 total) for a full-time employee who:
 - Is caring for an individual who is subject to a qualifying quarantine or self-quarantine.
 - Is caring for a child whose school or care provider is unavailable due to COVID-19.

Employers offering these options will receive a 100% payroll tax credit (refundable as needed) for required sick leave wages, as well as qualifying health care expenses.

*For part-time employees, the duration of paid leave is based on the average number of hours worked by the employee each week.

*Exemptions are available for employers with less than 50 employees subject to rule-making by the Department of Labor.

Emergency Family and Medical Leave

Under the Families First Coronavirus Response Act, private employers with fewer than 500 employees must provide the following emergency family and medical leave option:

- 10 weeks paid family and medical leave at 2/3 of an employee's regular rate of pay (capped at \$200/day and \$10,000 total) for a full-time employee who is unable to work because their child's school or child care provider is unavailable due to a public health emergency.

Employers offering this option will receive a 100% payroll tax credit (refundable as needed) for required emergency family and medical leave wages, as well as qualifying health care expenses.

*For part-time employees, the duration of paid leave is based on the average number of hours worked by the employee each week.

*Exemptions are available for employers with less than 50 employees subject to rule-making by the Department of Labor.

Additional information on paid leave provisions can be found at:

<https://www.dol.gov/newsroom/releases/osec/osec20200320>

Bankruptcy

The Coronavirus Aid, Relief, and Economic Security (CARES) Act increases the eligibility threshold for small businesses under the bankruptcy code to businesses with less than \$7,500,000 in outstanding debt. The threshold returns to \$2,725,625 after one year. The CARES Act also excludes COVID-19 related payments from the Federal Government in the calculation of income for bankruptcy purposes.

Workplace Guidance for Businesses and Employers

[The President's Coronavirus Guidelines for America - 15 Days to Slow the Spread](#)

The Centers for Disease Control and Prevention (CDC) offers the most up-to-date information on COVID-19. This interim guidance is based on what is currently known [about the coronavirus disease 2019 \(COVID-19\)](#). For updates from CDC, please see the following:

- [Interim Guidance for Businesses and Employers to Plan and Respond to Coronavirus Disease 2019 \(COVID-19\)](#)
- [Preventing Stigma Related to COVID-19](#)
- [Share Facts about COVID-19](#)
- [CDC Coronavirus Disease 2019 \(COVID-19\) Web page](#)
- [Information on Coronavirus Disease 2019 \(COVID-19\) Prevention, Symptoms and FAQ](#)

Below are recommended strategies for employers to use now. In-depth guidance is available on the [CDC's Guidance for Businesses and Employers](#) web page:

- Actively encourage sick employees to stay home
- Separate sick employees
- Emphasize staying home when sick, respiratory etiquette and hand hygiene by all employees
- Perform routine environmental cleaning
- Advise employees before traveling to take certain steps
 - Check the [CDC's Traveler's Health Notices](#) for the latest guidance and recommendations for each country to which you will travel. Specific travel information for travelers going to and returning from designated countries with risk of community spread of Coronavirus, and information for aircrew, can be found on the [CDC website](#).