



**GLENN BURDETTE**

## **COVID-19 RESOURCE UPDATE**

*APRIL 10, 2020*



### **Summary:**

Show me the money!

Most are still waiting for loan funds to hit their bank accounts, but it is starting.

For the self-employed, it's your turn to apply, even if the process isn't perfect and some details are still unclear.

Stay safe and well everyone.

Please reach out to your Glenn Burdette CPA if you need anything.

### **IN THIS ISSUE:**

**FEDERAL STIMULUS UPDATE**

**IRS AND CALIFORNIA UPDATES, AS WELL AS MULTI-STATE FILING UPDATE**

**HAPPY EASTER!**



[tim.dossa@glennburdette.com](mailto:tim.dossa@glennburdette.com)

# Regulatory Updates 4/10/20

## Federal Stimulus - Money Begins to Arrive, Slowly

- Some companies began receiving **Paycheck Protection Program Loan** funds late this week. Fingers crossed for more funding next week, with the potential for more money on the horizon from the Government (The House proposal coming Monday).
- As a sense of the magnitude of this program, there are 4,000 banks involved and the SBA has received over 500,000 applications over 7 days, for a total of \$140 billion, according to the American Institute of Certified Public Accountants.
  - To put that in perspective, the SBA funded \$30 billion in total last year. Now they are effectively doing this every day. So some of these delays are understandable.
- Self-employed, sole proprietorships and independent contractors can now apply for the Paycheck Protection Program Loan.
  - Same process and forms apply - see your bank for their specific instructions.
  - Terms are the same, however "Payroll Costs" are calculated as:
    - Same as "payroll costs" defined previously, if you have payroll, or,
    - Form 1099-MISC, or,
    - Net Income from self-employment (Line 31 of Schedule C on your tax return), limited to \$100,000.
      - Use your 2018 tax return if 2019 is not yet filed.
  - **Loan Forgiveness** for self-employed PPP Loans is a bit unclear.
    - No more than 25% can be used for rent, mortgage interest, and utilities.
    - However, we don't know yet what will make up the other 75% if you don't have payroll. More guidance to come here.
- One other item of Loan Forgiveness clarification:
  - If you reduced headcount compared to the previous period of measurement, you would get an equivalent reduction of loan forgiveness, unless you brought headcount back up to the original levels by June 30, 2020.
  - This only works for those employees laid off prior to April 27, 2020.
    - If you terminate someone after April 27, 2020, your loan forgiveness will be reduced even if you refill the position by June 30, 2020.
- **Alternative Resources to Assist With Funding**
  - If you don't have an SBA lender, the below link provides an alternative option that we've gotten at least one positive review for.
  - <https://getdivvy.com/>

# *Regulatory Updates 4/10/20*

- **Economic Injury Disaster Loans (EIDL)** - more confusion introduced this week.
  - Originally, the grant amount was set at \$10,000.
    - There was information released this week that seemed to indicate the grant changed to \$1,000 per employee up to a \$10K max.
    - However, that information has not been posted on the SBA website.
  - In addition, there are indications the grant amount will count against PPPL loan forgiveness no matter what. This was previously only thought to be the case if both sets of funds were used for the same purpose.
  - We will keep a close eye on this, however, if you already planned to apply for this loan, we recommend you continue down this path and see where it ultimately falls. Cash is still king if your business has been impacted.
  - Here is the link to apply for the EIDL Loan:
    - <https://covid19relief.sba.gov/#/>

## **IRS Filing Deadline Changes**

- Yesterday, the IRS extended the due dates on most tax returns that were originally due between April 15 and July 15, to July 15, 2020.
  - One item of note is that while the forms listed included the 990-T (for non-profits), it mysteriously omitted the 990.
    - We hope this is an oversight that will get corrected.
  - We encourage all filers to continue to provide their CPA with the documentation required to file their tax returns in a timely manner.
  - We don't know what the world will look like come July 15. If things clear up quickly, you may want to take a vacation in July.
    - The last thing you want is to have to worry about your tax filings while trying to pack your bags for a vacation.
    - So don't procrastinate. Take action now and **make a CPA happy.**

## **California**

- As of today, California had not matched the IRS with relation to changing the due date for IRA and HSA funding to July 15, 2020. Stay tuned for updates on this.

# Regulatory Updates 4/10/20

## Summary of Current State COVID-19 Guidance

STATE	CORPORATE TAX		PERSONAL INCOME TAX	
	Has State Issued Formal Guidance on COVID-19?	Due Date for Corporate	Has State Issued Formal Guidance on COVID-19?	Current Filing Due Date for Personal Income Tax Return
AK	Yes	July 15, 2020	N/A	
AL	Yes	July 15, 2020	Yes	July 15, 2020
AR	No	April 15, 2020	Yes	July 15, 2020
AZ	Yes	July 15, 2020	Yes	July 15, 2020
CA	Yes	July 15, 2020	Yes	July 15, 2020
CO	Yes	7/15/2020 tax due 10/15/2020 auto extension	Yes	Auto extension to 10/15/2020; payment due 7/15/2020
CT	Yes	June 15, 2020	Yes	July 15, 2020
DC	Yes	July 15, 2020	Yes	July 15, 2020
DE	Yes	July 15, 2020	Yes	July 15, 2020
FL	No		N/A	
GA	Yes	July 15, 2020	Yes	July 15, 2020
HI	Yes	July 20, 2020	Yes	July 20, 2020
IA	Yes	July 31, 2020	Yes	July 31, 2020
ID	Yes	June 15, 2020	Yes	June 15, 2020
IL	Yes	July 15, 2020	No	
IN	Yes	July 15, 2020	Yes	July 15, 2020
KS	Yes	July 15, 2020	Yes	July 15, 2020
KY	Yes	July 15, 2020	Yes	July 15, 2020
LA	Yes	July 15, 2020	Yes	May 15, 2020
MA	Yes	March 15, 2020	Yes	July 15, 2020
MD	Yes	July 15, 2020	Yes	July 15, 2020
ME	Yes	July 15, 2020	Yes	July 15, 2020
MI	Yes	July 31, 2020	Yes	July 31, 2020
MN	Yes	April 15, 2020 with auto extension to 11/15/2020	Yes	July 15, 2020
MO	Yes	July 15, 2020	Yes	July 15, 2020
MS	Yes	May 15, 2020	Yes	May 15, 2020
MT	No		Yes	July 15, 2020
NC	Yes	July 15, 2020	Yes	July 15, 2020
ND	Yes	July 15, 2020	Yes	July 15, 2020
NE	Yes	July 15, 2020	Yes	July 15, 2020
NH	Yes	April 15, 2020	Yes	April 15, 2020
NJ	Yes	July 15, 2020	Yes	July 15, 2020
NM	Yes	July 15, 2020	Yes	July 15, 2020
NV	N/A		N/A	
NY	Yes	July 15, 2020	Yes	July 15, 2020

# *Regulatory Updates 4/10/20*

OH	N/A		Yes	July 15, 2020
OK	Yes	July 15, 2020	Yes	July 15, 2020
OR	Yes	July 15, 2020 OR S-Corp returns originally due 4/15 are still due 4/15)	Yes	July 15, 2020
PA	Yes	August 14, 2020. S Corporations subject to same extension as personal income tax returns)	Yes	July 15, 2020
RI	Yes	July 15, 2020	Yes	July 15, 2020
SC	Yes	June 1, 2020	Yes	June 1, 2020
SD	N/A		N/A	
TN	Yes	July 15, 2020	Yes	July 15, 2020
TX	Yes	May 15, 2020	N/A	
UT	Yes	July 15, 2020	Yes	July 15, 2020
VA	Yes	June 1, 2020	Yes	June 1, 2020
VT	Yes	July 15, 2020	Yes	July 15, 2020
WA	Yes	Monthly filers extended 60 days, quarterly and annual filers extended 30 days	N/A	-
WI	Yes	July 15, 2020	Yes	July 15, 2020
WV	Yes	July 15, 2020	Yes	July 15, 2020
WY	N/A		N/A	

- **Programs for Individuals**

- Charitable Contributions

- The new above-the-line deduction for up to \$300 in charitable contributions is only applicable to filers who do not itemize.
- Student Loans
  - If you have student loans, for the period March 27, 2020 through September 30, 2020:
    - No federal student loan payments are required.
    - No interest accrues on your federal student loan payments.
    - No garnishment of wages, Social Security and tax refunds for student loan collection.
    - Still get monthly payment "credit" for public service loan forgiveness.

- Retirement Funds

- You are now allowed to take a distribution of up to \$100,000 with no early withdrawal penalties (was 10%).
- Must meet certain COVID-19 related criteria.
- Instead of 60 days to pay it back and not get taxed on it, you now have 3 years.
  - You are still taxed on it over 3 years, but if you pay it back in full within the three years, you can file amended returns and get tax refunds.
- Consult with your financial adviser before going down this path, as it normally is not a preferred approach to cash flow.
- Due dates for existing loans that come due between March 27, 2020 and December 31, 2020 are now extended 1 year.
- No minimum distributions from retirement accounts are required for 2020.
  - With the stock market being down, this can be a key planning tool if you do not need the cash flow from the required minimum distributions.

# *Helpful Links*

---

## **ReadySLO website - stay up to date in our community:**

- <https://www.readyslo.org/en/index.aspx>

## **Judy Mahan and team at the Cal Poly SBDC are doing great things. Lots of great information here:**

- <https://centralcasbdc.com/covid-19-resources-uc-merced-sbdc>

## **IRS Coronavirus Website:**

- <https://www.irs.gov/coronavirus>

## **SBA Loan Assistance:**

- <https://www.sba.gov/disaster-assistance/coronavirus-covid-19>
- <https://disasterloan.sba.gov/ela>

## **Multi-State Filing Resource from the AICPA:**

- <https://www.aicpa.org/search.html?source=AICPA&q=state+filing+relief>

## **EDD Corona Virus Updates:**

- [https://www.edd.ca.gov/about\\_edd/coronavirus-2019.htm](https://www.edd.ca.gov/about_edd/coronavirus-2019.htm)

## **EDD Unemployment Claim Info:**

- [https://edd.ca.gov/Unemployment/Filing\\_a\\_Claim.htm](https://edd.ca.gov/Unemployment/Filing_a_Claim.htm)

## **CDTFA (Sales Tax) Services:**

- <https://www.cdtfa.ca.gov/services/covid19.htm>

## **State of California Business and Economic Development Website**

- <https://business.ca.gov/coronavirus-2019/>

## **Department of Labor Information:**

- <https://www.dol.gov/agencies/whd/pandemic/ffcra-questions>