



## Assistance for Small Businesses

There were a number of provisions to assist small businesses included in the CARES Act, including the paycheck protection program (PPP) loan, loan advances for the Economic Injury Disaster Loan (EIDL), debt relief for some non-disaster SBA loans, additional funding for resource partners, including Small Business Development Centers and Women's Business Centers, as well as tax provisions such as employee retention credit, and the delay in payroll taxes. Many of these programs and resources are still in the process of being rolled out, as this is an evolving process.

### **ACCESS TO FUNDING**

#### Paycheck Protection Program:

- **General Information:** The Paycheck Protection Program (PPP) is a new program that provides cash-flow assistance through 100 percent federally guaranteed loans to employers who maintain their payroll during this emergency. If employers maintain their workforce, SBA will forgive the portion of the loan proceeds that are used to cover the first 8 weeks of payroll and certain other expenses following loan origination. Up to 100 percent of the loan is forgivable. This loan has a maturity of 2 years and an interest rate of 1%.
- **Dates:** This program allows business to cover costs beginning on February 15, 2020, in order to help bring workers who may have already been laid off back onto payrolls. Loans are available through June 30, 2020. Applications started to be accepted for small businesses and sole proprietorships on April 3, 2020 and independent contractors and self-employed individuals will be able to apply soon.
- **Apply:**
  - *For Borrowers:* Apply directly through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program.
    - Note: It is recommended businesses consult with their local lender as to whether it is participating in the program and able to offer these loans.
  - *For Lenders:* Non-SBA lenders seeking to enroll as a participating SBA Lender to make Paycheck Protection Program financing click [here](#) and scroll to the bottom for information.
- **More Information:** More information on eligibility and details on the loans can be found on either the Small Business Association's website [here](#) or the Treasury's website [here](#).

### Economic Injury Disaster Loan and Loan Advance:

- **General Information:**
  - *Economic Injury Disaster Loan (EIDL) program* provides small businesses with low interest working capital loans of up to \$2 million that can provide vital economic support to small businesses to help pay to pay fixed debts, payroll, accounts payable, and other bills.
  - *Economic Injury Disaster Loan Advance* provide an emergency advance of up to \$10,000 to small businesses harmed by COVID-19 within days of a successful application and will not have to be repaid.
- **Dates:** Illinois small businesses are currently able to apply for EIDL and loan advance now until December 31, 2020.
- **Apply:** Businesses apply for EDIL and Loan Advance directly through the Small Business Association's (SBA) website. It is the same application process for both, upon applying or an EDIL you request the advance. [EIDL and Loan Advance application](#).
  - Note: Businesses that applied for an EIDL loan prior to 3/29/20 need to apply for the loan advance.
- **More Information:** For more information please visit SBA's website [here](#).

### SBA Debt Relief Program:

- **General Information:** The SBA debt relief provides immediate relief to small business with non-disaster SBA loans, in particular 7(a), 504 and microloans. The SBA automatically will pay the principal, interest, and fees of current 7(a), 504, and microloans for six months. SBA will also automatically pay the principal, interest, and fees of new 7(a), 504, and microloans issued prior to September 27, 2020.
- **Apply:** To find out if your business's current loan is automatically deferred, please contact your Loan Servicing Office directly using the following information:
  - Birmingham Disaster Loan Servicing Center:
    - Phone: 800-736-6048
    - Email: [BirminghamDLSC@sba.gov](mailto:BirminghamDLSC@sba.gov)
  - El Paso Disaster Loan Servicing Center:
    - Phone: 800-487-6019
    - Email: [EIPasoDLSC@sba.gov](mailto:EIPasoDLSC@sba.gov)
- **More Information:** For more information about this and additional debt relief please visit SBA's website [here](#).

## **TAX PROVISIONS**

### Employee Retention Credit

- **General Information:** The Employee Retention Credit is a fully refundable tax credit for employers equal to 50 percent of qualified wages (including allocable qualified health plan expenses) that Eligible Employers pay their employees. This credit applies to qualified wages paid after March 12, 2020, and before January 1, 2021. The maximum amount of qualified wages taken into account with respect to each employee for all calendar quarters is \$10,000, so that the maximum credit for an Eligible Employer for qualified wages paid to any employee is \$5,000. Note: This credit is not eligible to employers receiving assistance through the Paycheck Protection Program.

- **Dates:** Eligible Employers may claim the Employee Retention Credit for qualified wages that they pay after March 12, 2020, and before January 1, 2021.
- **More Information:** Please find more details on this credit on the IRS's website [here](#).

#### Deferral of Employer Payroll Taxes

- **General Information:** This allows businesses to defer paying the employer portion of certain payroll taxes through the end of 2020, with all 2020 deferred amounts due in two equal installments, one at the end of 2021, the other at the end of 2022. Payroll taxes that can be deferred include the employer portion of FICA taxes, the employer and employee representative portion of Railroad Retirement taxes (that are attributable to the employer FICA rate), and half of SECA tax liability. Note: Deferral is not eligible to employers receiving assistance through the Paycheck Protection Program.
- **Dates:** The IRS has not released information on implementation of this tax deferral yet.
- **More Information:** Continue to check the IRS's website for updates and guidance <https://www.irs.gov/coronavirus>