

24 Strategies That Will Help You Right Now

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Our unique and beautiful planet is witnessing an event of the millennium. How we live, work, eat, breathe, and take care of each other has transformed in haste. The economic, social, political, and health related fallout from this virus will reverberate for some time to come. The safety of everyone and taking care of those affected is paramount right now. As a firm, alleviating your concerns during this time is most important to us. Please take care of yourselves and your loved ones. We know that we're going to get through this, together. There is a tremendous amount of help out there, please take full advantage of it. As part of going through this together, we have assembled a list of 24 strategies that will help you right now:

1. **Paycheck Protection Program (PPP) SBA Loan**: Payroll is the biggest expense and the number-one pressure for most businesses right now. Congress has enacted the PPP loan program, a great option to keep employees on payroll and keep your lights on. A small business of any type--S Corp, C Corp, LLC, sole proprietorship or independent contractor--with fewer than 500 employees qualifies. You will get a loan based on 2.5 times your average cost of monthly payroll, health insurance, and retirement benefits. Amount over \$100,000 is not considered as payroll for any employee. No Collateral or personal guarantee is required. 75% of the loan proceeds must be used for payroll and balance can be used for rent, mortgage, and utilities. And, if so used, the entire loan will be forgiven. Such forgiveness will not be considered "forgiveness of debt income".
2. **SBA Economic Injury Disaster Loans (EIDL)**: If your small business has been hurt by COVID-19, apply for an EIDL loan directly from the SBA and not your bank. You can borrow up to \$2 million at interest rates of 3.75% (2.75% for nonprofits); the rates are fixed for the full 30-year term of the loan. EIDL may be used for working capital (i.e., to pay fixed debts, payroll, accounts payable), not lost sales or profits or for expansion or to pay off existing debt, and there is no form of loan forgiveness. 20% or more owners of the business must give a personal guarantee but no lien on property will be taken. Yes, you can apply for a PPP loan and an EIDL loan. You must. Just for applying, you can also get a \$10,000 grant from our government of the people.
3. **Medium Sized Businesses Loans**: The Coronavirus Aid, Relief, and Economic Security Act (CARES) Act provides low-interest (capped at 2%) loans for businesses, and nonprofit organizations, with between 500 to 10,000 employees. The loan proceeds must be used to retain at least 90% of the recipient's workforce, at full compensation and benefits, through September 30, 2020. No repayment of principal and interest will be required for at least six months.

4. **Large Businesses Loans**: Available to businesses that have suffered losses as a result of the coronavirus, and for whom credit is not reasonably available. The loan will be at market rate, secured, the term cannot exceed five years, and the business must keep employments levels at 90% of pre-COVID levels, till September 30, 2020.
5. **All Businesses Get \$5,000 per Employee**: If suffering businesses don't fire employees and put them on furlough or hire them back as soon as possible, they can get \$5,000 per employee. It is an employee retention credit of up to 50% of payroll on the first \$10,000 of compensation of an employee. Any business that gets a PPP loan, doesn't get this credit, no double dipping.
6. **SBA Loan Forbearance**: If you have an existing SBA loan in your business, the CARES Act requires the Government to automatically make the payments for you over the next six-month period beginning April 1, 2020. The government will make the principal and interest payment for the next six months for you, and you don't have to declare the free payments as income. Yes, it is true.
7. **Extra Time to Pay Employer Payroll Taxes**: Business owners can delay the payment of the employer portion of the Social Security taxes, which is a significant sum. You get a lot of extra time to pay them - until December 31, 2021 to pay half of it, and until December 31, 2022 to pay the other half.
8. **Modifications for Net Operating Losses**: Net operating losses (NOL) are currently subject to a taxable-income limitation, and they cannot be carried back to reduce income in a prior tax year. The new Act provides that an NOL arising in a tax year beginning in 2018, 2019, or 2020 can be carried back five years, and it removes the taxable income limitation to allow an NOL to offset income fully. Look at your tax returns from 2013 onwards and see how you can get some refund by utilizing your losses and amending your returns. You can also get a quick refund before amending returns, just ask for it.
9. **Real estate investors Lottery**: You could only use real estate depreciation to offset up to \$500K in capital gains per year. That's now unlimited for 2018 thru 2020. Which means you can amend your 2018 and 2019 returns to take advantage of this huge break.
10. **Emergency Paid Sick Leave (EPSL) Two Weeks**: Never happened before, but now employers, with less than 500 employees, must provide sick leave to their employees. The FFCRA requires that qualifying employees can receive paid leave for up to two weeks, and the federal government will pay for it, via payroll tax credits. Employers with less than 50 employees can get a "will kill our business" exemption. Qualifying employees are those that cannot work or telework because of stay-at-home orders, doctor's orders, or they are caring for an individual or children whose school is closed due to COVID-19.

11. **Family Medical Leave (FMLA) 10 Weeks Leave:** You can take up to 10 weeks of paid leave at two-thirds of your regular pay with limits, and the employer is reimbursed by a reduction in total payroll taxes the employer has to pay. This leave is limited to an employee who cannot work or telework due to the need to care for the employee's minor child due to closure of the child's school or place of childcare.

12. **Section 139 Tax-Free Deductible Payments:** Due to the pandemic, now an employer can pay workers to cover reasonable and necessary personal, family, living expenses incurred resulting from COVID-19. Reimbursable expenses could include unreimbursed medical expenses, funeral expenses, increased utilities, home office expenses such as enhanced internet connections, computer monitors, laptops, printers, office supplies, and increased childcare expenses.

13. **\$1,200 Checks to 125 Million People:** Direct payments of \$1,200 to adults and \$500 per child (under age 17) will be sent to individuals who are making less than \$75,000 (or \$150,000 for married couples). The direct grants phase out to zero for individuals making more than \$99,000 (or \$198,000 for married couples). This means a couple, with two kids, earning less than \$150,000 can expect \$3,400. The cash payments are based on either your 2018 or 2019 tax filings. People who receive Social Security benefits but don't file tax return are still eligible, too. Although nonresident aliens will not get the checks, but H-1 and L-1 visa holders will get these checks since they are considered residents for tax purposes as they pass the substantial presence test of spending over 183 days in the U.S. A second requirement is that the recipient must have a social security number. So, spouses of H-1 and L-1 visa that have an ITIN and not an SSN will not get a check. The millions of unlawful aliens in the country, who do not have a SSN, will also not get a check.

14. **Unemployment Benefits:** State unemployment benefits that last for 26 weeks have been expanded by 13 weeks for a total of 39 weeks, along with an additional \$600 per week for four months by the Federal Government. In a rare instance, unemployment benefits would be given to contract workers, freelancers, Uber drivers, and other self-employed workers, who otherwise do not qualify for unemployment. Don't forget though, all unemployment benefits are taxable income. Furlough is a mandatory, temporary, unpaid leave, and if you are furloughed you can file for unemployment benefits. Similarly, people who have had their hours cut or job reduced to part-time can also file for unemployment.

15. **Retirement Money:** Don't raid your future savings and retirement unless you absolutely have to. But here's three good rules for you – i) You can borrow up to \$100,000 from your retirement savings without a 10% penalty, pay the loan back in equal instalments in five years with 5.25% interest; ii) You can take a penalty-free early distribution of up to \$100,000 & return it later if you want to or keep it; iii) The required 2020 mandatory distributions, if you are over age 72, are suspended.

16. **Credit Reporting**: Lenders must allow struggling consumers to defer or skip loan payments, and not report the skipped payment to credit report agencies so that there is no negative affect on their credit report standing.
17. **Student Loans**: If you have a federal student loan, you can suspend your monthly payments through Sept. 30, 2020, without any interest accruing. Also, employers can make tax-deductible contributions of up to \$5,250 towards your student-loan payments this year. You will not have to pay taxes on this contribution.
18. **Tax Day Extended**: IRS and most States have extended your tax return filing deadlines from April 15th to July 15th. Similarly, any tax installment plan payments due to the IRS after April 1 are now due July 15, 2020. Most states are following suit.
19. **IRA Contribution Deadline Extended**: The IRS has announced a 90-day extension of time for you to make your 2019 IRA contribution, of up to \$6,000 (or \$7,000 if over age 50), until July 15, 2020.
20. **Charitable Contribution Deduction Limitation Eliminated**: The adjusted gross income (AGI) limitation on charitable contributions is suspended for 2020. So more charitable contributions will be deductible for if you itemize deductions.
21. **H-1, L-1 Visas, Green Cards, I-9s all Have Help**: H-1 and other visa holders can work from home; LCAs can be posted at home; I-9 physical presence rules have been relaxed. DOL is allowing extension of time for filing PERM applications. USCIS will be flexible with deadlines and excuse delays.
22. **Get Out of Contracts**: Force majeure clauses help free parties of their contractual obligations if an unforeseen event beyond their control leads to delays or an inability to fulfill contract terms, like the Coronavirus pandemic. You must show that it is impossible to perform the terms of the contract. You must also prove that nonperformance was unforeseeable and out of the party's control. You can also use doctrines of "commercial impracticability" or "frustration of purpose" to try to excuse the performance.
23. **Dig into Your Insurance Policies**: Please evaluate how your operations and revenue have been affected, and analyze whether any of your insurance policies provide coverage for the losses: Business Interruption Coverage, Commercial General Liability, Directors & Officers, Errors & Omissions, and Workers Compensation.
24. **Don't Give Up Just Yet**: Many states are restricting commercial and residential landlords from conducting evictions; lenders are being forced to give people a break on monthly payments; several states, counties, and cities have enacted help for businesses and individuals affected by COVID-19 which is almost everyone. Let's hang in there.