

COVID-19 Response: Small Business Resources

SBA Economic Injury Disaster Loan assistance

The \$8.3 billion supplemental package passed by Congress authorized \$7 billion in low-interest loans to affected small businesses. These SBA Economic Injury Disaster Loans offer up to \$2 million in assistance per small business. Loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the impact of COVID-19.

- The interest rate is 3.75% for small businesses without credit available elsewhere
- The interest rate for non-profits is 2.75%
- Long-term repayments are available with a maximum of 30 years.

On March 19, 2020, the SBA declared Colorado eligible for Economic Injury Disaster Loan assistance. Colorado small businesses may now apply for the loans through the SBA website. **To apply for a loan or check your application status visit <https://disasterloan.sba.gov/ela/>.**

Paid Leave and Tax Credit for Small Businesses

Under the Families First Act, employers under 500 employees are required to:

- Provide 80 hours (2 full 40-hour weeks) of paid sick leave relating to COVID-19 through the end of 2020 for employees who exhibit symptoms, need to self-quarantine, or care for a child. Part time workers receive the amount of sick leave correlating to their normal two-week schedule. The pay is 100% if the employee is sick or quarantining, and 2/3rds pay when caring for a child.
- Provide 12 weeks of job-protected paid family leave if the employee's child's school or child-care facility is closed. This includes two weeks of unpaid leave, followed by 10 weeks of paid leave. Employees will receive 2/3rds of their usual pay during this time, and they may choose to overlap the initial two weeks of unpaid leave with two weeks of paid sick leave provided in the bill.
- The Department of Labor may issue rulemakings allowing businesses with less than 50 employees to apply for an exemption from these paid sick and family leave provisions if they believe it would jeopardize their business.

Businesses will receive a refundable payroll tax credit fully offsetting the costs of providing this paid sick and family leave. Additional guidance on these provisions will be provided by the Department of Labor and the Internal Revenue Service soon after enactment of the bill.

Employers initially front the cost of emergency paid leave but will be **fully reimbursed** by the federal government within three months.

- The reimbursement will cover both the wages paid and the employer's contribution to employee health insurance premiums during the period of leave.
- Employers will be reimbursed through a refundable tax credit that counts against employers' payroll tax, which all employers pay regardless of non-profit/for-profit status.
- Employers will submit emergency paid sick leave expenses as part of their estimated quarterly tax payments. If an employer's costs more than offset their tax liability, they will get a refund from the IRS.

Tax Payment Deadline Delayed for Affected Individuals and Corporations; Must File by April 15

The Department of Treasury [published a notice](#) that individuals and corporations may delay their tax payments for 90 days due to the coronavirus pandemic.

- Individuals can defer up to \$1 million in payments for 90 days from the April 15 deadline. Corporations can defer up to \$10 million in payments for 90 days. During that time, the IRS will not charge interest or penalties.
- All individuals and businesses must still meet the April 15 filing deadline.