

To HBA Members – from our accountant at Corrigan & Krause

- For the Paycheck Protection Program (PPP), big thing is to check if your current bank is an approved SBA 7a lender, (if not then go to another bank to get the loan).
- We are still at least 15 days to 45 days out on getting the money to the business owners. *More is to come on this, so feel free to call Corrigan & Krause next week and I will reach out as I hear more.*
- The PPP program (*see attached*) is something that all business owners should be doing when it gets rolling. I would call your loan companies to see what type of payment deferral programs are out there, most banks are offering 90 day deferral programs.

See below for more information on the CARES act.

The CARES act should help alleviate some of the financial burden and help get you through until the economy is back on track. The act has provisions for both individuals and business owners. Here are the main takeaways that apply to you and your business:

**For individuals:**

- **Recovery Rebates:** You may receive \$1,200 for each adult on your tax return and \$500 for each child on your tax return. It is to my understanding the government will be mailing these checks out or by direct deposit in April. I believe the direct deposit depends on whether or not you had your tax refund direct deposited. Your employees will also receive a check from the government (amounts depend on gross income and filing status on your 2018 or 2019 return, whichever was the last year filed).
- **Extra Unemployment Payments:** The CARES Act includes an additional \$600 per week payment to each recipient for up to four months, and extends Unemployment Insurance benefits to self-employed workers, independent contractors, and those with limited work history. The federal government will provide temporary full funding of the first week of regular unemployment for states with no waiting period and extend UI benefits for an additional 13 weeks through December 31, 2020 after state UI benefits end.

**For Businesses:**

- **Payroll Tax Credit:** Employers are eligible for a 50 percent refundable payroll tax credit on wages paid up to \$10,000 during the crisis. The credit would be available to employers whose businesses were disrupted due to virus shutdowns and those that had a decrease in gross receipts of 50 percent or more when compared to the same quarter last year. The credit can be claimed for all employee wages for firms with 100 or fewer employees. The credit is provided for the first \$10,000 of compensation, including health benefits, paid to an eligible employee. The credit is provided for wages paid or incurred from March 13, 2020 through December 31, 2020.
- **Delayed SS Payment:** Employer-side Social Security payroll tax payments may be delayed until January 1, 2021, with 50 percent owed on December 31, 2021 and the other half owed on December 31, 2022.

**Forgiveness for Small Business Loans for Keeping Employees:** The bill creates a “paycheck protection program” for small employers, self-employed individuals, and “gig economy” workers. The “Paycheck Protection Program” would provide 8 weeks of cash-flow assistance through 100 percent federally guaranteed loans to small employers who maintain their payroll during this emergency. If the employer maintains payroll, the portion of the loans used for covered payroll costs, interest on mortgage obligations, rent, and utilities would be forgiven. **(SEE ATTACHED)**



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NOTE: There is a critical need for all small businesses impacted by COVID to apply for their SBA Disaster Loans now, because only a limited number will be able to get the new grants up to \$10,000.

The website is: <https://www.sba.gov/page/disaster-loan-applications>

Please share this with our members.

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