

CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY (CARES) ACT

ADDITIONAL BUSINESS TAX BENEFITS

Retention Tax Credit:

Increased Benefit: Employers, including non-profits, are eligible for a 50 percent refundable payroll tax credit on wages (including health benefits) paid up to \$10,000 during the crisis.

Eligibility:

- All Employers:
 1. that have experienced a 51% or more reduction in quarterly receipts; or
 2. 100 employees or fewer
- More than 100 Employees: Employers who have retained employees on the payroll that are not currently working due to the crisis.

Delay of Payment for Payroll Taxes:

Increased Benefit: Employers can defer paying its portion of social security payroll taxes for its employees through the end of 2020.

- Deferral is not provided to employers that avail themselves of SBA 7(a) loans designated for payroll.

Payment of taxes: All 2020 deferred amounts are due in two installments- one at the end of 2021, and the other at the end of 2020.

Net Operating Losses (NOLs)

Increased Benefit: Businesses can take NOLs earned in 2018, 2019, or 2020 and carry back those losses five years.

- Eighty percent rule is suspended so companies may use NOLs they possess to fully offset their taxable income.

DISCLAIMER: This document is intended to provide preliminary guidance based on Congressional intent and does not constitute legal advice. It also does not replace official implementation guidance from the relevant state and federal agencies.

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Senator Manchin's staff will return
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