



Coronavirus Resources for NY-22 Small Businesses



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Help for Small Businesses

Small businesses are the backbone of our economy, and the many changes and restrictions put in place to help stop the spread of COVID-19, while necessary, has had a dramatic impact on our economy.

New York State has announced that all non-essential businesses statewide must close in-office personnel functions effective at 8PM on Sunday, March 22. More information and guidance is available here:

<https://www.governor.ny.gov/news/governor-cuomo-issues-guidance-essential-services-under-new-york-state-pause-executive-order>.

Businesses unsure if they are included within in exempt categories but believe they are providing essential services or functions can request a waiver from these reductions by completing this form:

https://esd.ny.gov/sites/default/files/Request%20for%20Designation%20Form_0.pdf

The CDC's *Guide for Businesses and Employers* explains how to respond to COVID-19. It is available online at

<https://www.cdc.gov/coronavirus/2019-ncov/downloads/workplace-school-and-home-guidance.pdf>.

Resources from the Small Business Administration (SBA)

Economic Injury Disaster Loan (SBA):

On March 19, SBA Administrator Carranza extended a disaster declaration to all counties in New York State due to the economic impact the COVID-19 response has had on small businesses.

This loan program provides small businesses with working capital loans of up to \$2 million that can provide vital economic support to help overcome the temporary loss of revenue. These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. Typical timeline for approval is 2-3 weeks, although the SBA is hiring additional staff to address the volume of requests. An initial disbursement of \$25,000 will arrive within five days, according to SBA. Recipients are able to defer first payment for up to one-year. The rest of your loan will be disbursed on a schedule until you receive the full amount. Currently, rates are 3.75% for small businesses and 2.75% for non-profits, though my office is strongly advocating the SBA for these to be zero-interest.

You can also find answers to frequently asked questions about this program [here](#).

Businesses can apply online at <https://disasterloan.sba.gov/ela> or fill out [this PDF](#) and mail them to SBA's processing and disbursement center at 14925 Kingsport Rd., Fort Worth, Tex., 76155-2243.

For further information, you can contact the, contact the SBA disaster assistance customer service center at 1-800-659-2955 or e-mail disastercustomerservice@sba.gov. You can also reach out to the Syracuse District Office at 315-471-9393, or reach out to my office and we will help connect you.

In addition, the bipartisan CARES Act made the following changes to EIDLs to make them easier for businesses to apply:

- Loans can be made based solely on credit scores.
- Loans available to all non-profits, including 501(c)(6)s.
- Loans below \$200,000 can be approved without a personal guarantee.
- Borrowers can receive \$10,000 cash advances that are forgiven if spent on paid leave, maintaining payroll, increased costs due to supply chain disruption, mortgage or lease payments, or repaying obligations that cannot be met due to revenue losses.

Paycheck Protection Program (SBA)

The Paycheck Protection Program was established by Congress through the CARES Act. It is a new \$349 billion lending program, modeled on an existing SBA 7(a) program, with 100% government guarantee (Current 7(a) loans only guarantee 75% from the government). These loans are to be forgiven on June 30 to the extent they are used to maintain employees on payroll, make rent or mortgage interest payments, pay utilities or insurance, or cover certain other costs during the eight-week period after the loan is obtained.

Eligibility:

- Small businesses as defined by SBA (generally up to 500 employees, but up to 1,500 employees depending on the sector and certain sectors are based on revenue).
- Businesses in the Accommodation and Food Services Sector are eligible with up to 500 employees at each location.
- The program temporarily waives SBA “affiliation rules” to allow businesses with multiple locations that normally are not considered small, to qualify. This is especially important for our restaurant and lodging sector. They are still limited to the same maximum loan size - \$10 million - as a business with one location
- 501 (c)(3) nonprofits with fewer than 500 employees.
- Sole proprietors, the self-employed, and independent contractors.

Regulatory Streamlining:

- SBA’s “no credit elsewhere” test is waived
- All lenders (non-SBA lenders to be approved by Treasury and SBA) can provide loans
- No personal guarantee or collateral required
- Lenders defer fees, principal, and interest for no less than 6 months and no more than 1 year.

Maximum Loans:

- Generally, monthly payroll costs for 2 ½ months, not to exceed \$10 million.

- Payroll costs exclude compensation paid to individuals, including the self employed, above \$100,000 a year.

Requirements:

- The employer certifies the loan will be used to retain workers, maintain payroll, make mortgage or lease payments, and pay utilities.

Loan Forgiveness:

- The borrower shall have a portion of their loan forgiven in the amount equal to their payroll costs (not including costs for compensation above \$100,000 annually), interest payments on mortgages, rent payments, and utility payments between February 15 and June 30, 2020.
- This proposal would be retroactive to February 15, 2020, to help bring workers who may have already been laid off back onto payrolls.

Loan forgiveness will be reduced if the borrower reduces employment by a ratio similar to their reduction in employment or if the borrower reduces salaries and wages by more than 25%.

For more guidance on this new lending program as SBA puts it in place, please visit <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

Additional SBA Resources

In addition to the resources above, small businesses can take advantage of free assistance offered by SBA's network of Resource Partners, who can help with your loan application (www.sba.gov/local-assistance).

The SBA has other resources to help small businesses during the COVID-19 pandemic. These resources can be found at <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>.

Tax Resources for Businesses

Employee Retention Tax Credit

The Employee Retention Credit was established by Congress through the CARES Act and provides a fully refundable payroll tax credit equal to 50% of up to \$10,000 in wages per employee (including health benefits) paid by certain employers during the coronavirus crisis.

Eligibility: The credit is available to employers:

- whose operations were fully or partially shut down by government order limiting commerce, travel, or group meetings due to coronavirus, or
- whose quarterly receipts are less than 50% for the same quarter in the prior year.
- Wages paid to furloughed employees or employees otherwise not working (due to reduced hours) as a result of their employer's closure or economic hardship are eligible for the credit.

For employers with 100 or fewer employees, all employee wages qualify for the credit, regardless of whether they are furloughed or face reduced hours.

****Note:** Employers that receive Small Business interruption loans are not eligible for the credit. Additionally, wages that qualify for the required paid leave credit are not eligible for the credit.

The credit is for wages paid by eligible employers from March 13, 2020 through December 31, 2020.

Other Tax Changes:

In addition to the above Employee Retention Tax Credit, the bipartisan CARES Act also:

- Allows companies to delay their 2020 employer payroll taxes through the end of 2022. 50% will be due December 31, 2021 and the remainder due on December 31, 2022.
- Creates a temporary exemption from excise tax for alcohol used to produce hand sanitizer (for 2020).

State Information:

The NYS Small Business Development Center network provides free business counseling, including assistance with EIDL applications. They recommend submitting a request for assistance online at <http://nyssbdc.org/appointment.html>. You can also visit their website for other COVID-19 resources here <http://www.nyssbdc.org/Coronavirus.html>.

The NYS Department of Labor Business Services team is also available to assist you Monday through Friday 9 am to 5 pm. Their contacts for the Mohawk Valley are Ellen Bennett at 315-793-5344; ellen.bennett@labor.ny.gov or John Tully at 315-793-2271; john.tully@labor.ny.gov. In the Southern Tier, please contact David Croston at (607) 778-3004 or David.Croston@labor.ny.gov.

Mohawk Valley EDGE has also created a listing of available business resources which can be found on their website here: <https://www.mvedge.org/2020/03/17/covid-19-business-resources/>, or by calling the EDGE office at 315-338-0393.

Unemployment Information for Employees:

New York State has waived the seven day waiting period to be out of work if you are out of work as a direct result of a quarantine or COVID-19 related closure. In addition, telephone hours have been extended for filing unemployment claims, including Saturday hours, and benefits can also be applied for on-line. For further information, including any updates to benefits, etc. due to this every changing situation, please go to <https://labor.ny.gov/unemploymentassistance.shtm>.

The CARES Act makes available an additional \$600 in unemployment compensation, available until July 31, 2020. The new law also makes available an additional 13 weeks of federally-funded unemployment compensation, after New York State's 26 weeks of unemployment benefits are exhausted.

If you have questions about this process or need further assistance, click [here](#) to find the contact information for your local state representative, or call my office for further direction.

Qualified Leave Guidelines

Under the Families First Coronavirus Response Act, the following leave requirements will take effect on April 2, 2020 and expire on December 31, 2020:

Paid Sick Leave

Under the Families First Coronavirus Response Act, private employers with fewer than 500 employees must provide the following sick leave options:

- 2 weeks paid sick leave at an employee's regular rate of pay (capped at \$511/day and \$5,110 total) for a full-time employee who:
 - Is subject to a federal, state or local quarantine related to COVID-19.
 - Has been advised by a health provider to self-quarantine.
 - Is experiencing symptoms of COVID-19 and is seeking a medical diagnosis.
- 2 weeks paid sick leave at 2/3 of an employee's regular rate of pay (capped at \$200/day and \$2,000 total) for a full-time employee who
 - Is caring for an individual who is subject to a qualifying quarantine or self quarantine.
 - Is caring for a child whose school or care provider is unavailable due to COVID-19.

Employers offering these options will receive a 100% payroll tax credit (refundable as needed) for required sick leave wages, as well as qualifying health care expenses

*For part-time employees, the duration of paid leave is based on the average number of hours worked by the employee each week.

More information from the IRS is available here:

<https://www.irs.gov/newsroom/treasury-irs-and-labor-announce-plan-to-implement-coronavirus-related-paid-leave-for-workers-and-tax-credits-for-small-and-midsize-businesses-to-swiftly-recover-the-cost-of-providing-coronavirus>.

*Exemptions are available for employers with less than 50 employees subject to rule-making by the Department of Labor.

Emergency Family and Medical Leave

Under the Families First Coronavirus Response Act, private employers with fewer than 500 employees must provide the following emergency family and medical leave option:

- 10 weeks paid family and medical leave at 2/3 of an employee's regular rate of pay (capped at \$200/day and \$10,000 total) for a full-time employee who is unable to work because their child's school or child care provider is unavailable due to a public health emergency.

Employers offering this option will receive a 100% payroll tax credit (refundable as needed) for required emergency family and medical leave wages, as well as qualifying health care expenses.

- *For part-time employees, the duration of paid leave is based on the average number of hours worked by the employee each week.

*Exemptions are available for employers with less than 50 employees subject to rulemaking by the Department of Labor.

I hope that this information is helpful to you, your business and your employees. If you have any further questions, or need any assistance at all, my office at 315-732-0713. My team and I are ready to help you.

COVID-19 is a rapidly changing public health emergency, so please consult the latest available information at [CDC.gov/coronavirus](https://www.cdc.gov/coronavirus).