

WADDELL & ASSOCIATES

COVID-19 FINANCIAL PRESCRIPTION FOR BUSINESSES



ECONOMIC INJURY DISASTER LOAN (EIDL)

- **Apply now** - Submit applications directly to the SBA. Approved loans up to a \$2 million maximum carry 3.75% interest rates and 30 year terms.
- **Receive an emergency grant** - EIDL applicants may receive a forgivable \$10,000 grant as soon as three days after applying to help with expenses.
- **Favor EIDL loans if your business is distressed** - If you do not expect to be able to maintain your pre-COVID-19 employment levels, consider an EIDL to help with liquidity needs.
- **Apply [here](#) for an EIDL Loan through the Small Business Administration**

PAYCHECK PROTECTION PROGRAM (PPP)

- **Favor PPP loans if you anticipate a full business recovery** - If you expect to be able to maintain your business's pre-COVID 19 employment levels, consider applying for a Paycheck Protection Loan for up to 2.5 months of eligible payroll costs.
- **Apply directly through your SBA approved bank** - Banks are currently accepting applications.
- **Have your loans forgiven** - Approved payroll and business expenses may qualify for forgiveness 8 weeks after loan initiation. Rent, mortgage interest and/or utility expenses can comprise up to 25% of the amount forgiven with payroll expenses accounting for the remainder. Any reductions in payroll during the loan period will proportionately reduce the amount of forgiveness. You will not be penalized for rehiring employees laid off or furloughed for COVID related reasons prior to the PPP loan disbursement. Any EIDL grants received will reduce your PPP forgiveness potential proportionately.
- **Keep meticulous records!** - Be sure to document and record how your PPP funds get utilized. Maintaining a separate account for PPP loan funds will help.
- **Talk to your banker NOW** - Gather your documents and get in your banker's queue now. Banks will distribute funds on a first come first served basis.
- **Need more?** - Click [here](#) for further guidance on PPP loans.

OTHER MEASURES

- **Receive a Payroll Tax Credit** - If you are unable to rehire your staff before June, 30, 2020, you may be eligible for a dollar for dollar payroll tax credit. If you elect to pursue the payroll tax credit you cannot participate in either the PPP loan program or the payroll tax deferral program.
- **Receive a Payroll Tax Deferral** - Businesses can defer the employer portion of 2020 payroll tax due into 2021 and 2022. If you elect to pursue payroll tax deferral you cannot participate in either the PPP loan program or the payroll tax credit program.
- **Add a new employee incentive** - Businesses can now pay up to \$5,250 per year towards an employee's student loan debt without increasing their taxable AGI. Consider adding this as an employee or recruiting incentive.
- **Get more from your NOLs** - Business NOLs incurred during tax years 2018-2020 can be used to offset business income generated in tax years 2013-2020.
- **Claim your business losses** - For non-corporate taxpayers, net business losses can now offset other income for taxable year beginning before January 1, 2021.
- **Accelerate your AMTs** - Companies can accelerate the claim of refundable AMT credits.

For more personalized COVID-19 financial prescriptions, [CALL W&A](#)

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