



COVID-19 LEGISLATIVE UPDATE – MARCH 25, 2020

In this semi-weekly update, [Blank Rome Government Relations](#) (“BRGR”) summarizes the current political climate in the United States as Congress, the Trump Administration, and various federal agencies rapidly respond to the COVID-19 pandemic with new legislation, regulations, and guidance.

THIRD STIMULUS BILL (S. 3548) – CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (“CARES”) ACT

Last week, the Senate took the lead on the third stimulus package, Leader McConnell created three working groups to help steer the response to the crisis, generally led by the chairmen of relevant committees of jurisdiction but with input from key committee chairman and the GOP conference at large. After a week of negotiating, Leader McConnell introduced the GOP’s version of the funding package Thursday on the Senate floor and noted his party would begin negotiating with Democrats last Friday. There is an urgency on the Hill to pass this legislation quickly but sixty votes would be needed for the bill to pass in the Senate so bipartisanship is essential.

The nearly 250-page [bill](#), (S. 3548), includes direct financial help for Americans, relief for small businesses, help for impacted industries like airlines, and efforts to bolster the

health care system. Please find bill highlights broken up by Senate committee below.

SENATE SMALL BUSINESS COMMITTEE – THE KEEPING WORKERS PAID AND EMPLOYED ACT IS DIVISION A OF THE CARES ACT

A section by section can be found [here](#) and a one pager can be found [here](#).

Highlights:

- Provides cash-flow assistance through 100 percent federally guaranteed loans to employers who maintain their payroll during this emergency. If employers maintain their payroll, the loans would be forgiven, which would help workers to remain employed and affected small businesses and our economy to quickly snap-back after the crisis.
- Expands the allowable uses for 7(a) loans to permit payroll support, including paid sick leave, supply chain disruptions, employee salaries, mortgage payments, and other debt obligations to provide immediate access to capital for small businesses who have been impacted by COVID-19.
- Provides \$240 million in grants for SBA Small Business Development Centers and Women’s Business Centers for

counseling, training, and related services for small business owners impacted by COVID-19.

- Authorizes \$25 million for SBA to provide grants to associations representing resource partners to establish an online platform that consolidates resources across multiple Federal agencies and a training program to educate small business counselors on those resources to ensure counselors are directing small businesses appropriately.
- Provides \$10 million in grants for Minority Business Development Agency's Minority Business Centers to offer small business owners impacted by COVID-19 counseling, training, and technical assistance.
- Waives the non-federal match requirement for Women's Business Center's for a period of three months.

SENATE APPROPRIATIONS COMMITTEE – “THE CORONAVIRUS ECONOMIC STABILIZATION ACT OF 2020” AS PART OF THE BROADER SENATE ECONOMIC RESPONSE PACKAGE

Highlights:

- The legislation provides a total of \$208 billion to the Secretary of the Treasury, through the Exchange Stabilization Fund, to provide sufficiently collateralized loans and loan guarantees to eligible entities, broken out in the following amounts:
 - Up to \$50 billion for passenger air carriers;
 - Up to \$8 billion for cargo air carriers; and
 - Up to \$150 billion for other eligible entities.
- The Treasury Secretary is afforded flexibility to provide collateralized loans and loan guarantees to domestic entities “that have incurred losses as a direct result of the coronavirus global pandemic” so they can maintain operations.
- Entities eligible for loans or loan guarantees are those for whom credit is not otherwise reasonably available at the time of the transaction.
- An entity is only eligible for relief if the Treasury Secretary determines its continued operations are jeopardized as a result of losses stemming directly from the coronavirus outbreak.
- Interest rates on any loans extended by the Treasury Secretary may be no less than the current average yield on outstanding marketable obligations of the United States of comparable maturity.
- The legislation explicitly bars the Treasury Secretary from using the funds provided to make grants or direct cash payments to entities: “Nothing in this Act shall be construed to allow the President or [Treasury] Secretary to provide relief to eligible entities except in

the form of sufficiently collateralized loans and loan guarantees.”

- The legislation also mandates that entities receiving assistance under the Act do not increase compensation for, or provide golden parachutes to, executives over a two-year period from the date of enactment.
- The legislation directs the Secretary of the Treasury, to the extent feasible and practicable, to ensure that the government is compensated for the risk assumed in making loans and loan guarantees. To that end, “the [Treasury] Secretary is authorized to enter into contracts under which the Government, contingent on the financial success of the eligible entity, would participate in the gains of the eligible entity or its security holders through the use of such instruments as warrants, stock options, common or preferred stock, or other appropriate equity instruments.”

SENATE FINANCE COMMITTEE – TAX POLICIES FOR PHASE 3 CORONAVIRUS RESPONSE

A section-by-section summary of the proposals can be found [here](#) and below. Legislative text can be found [here](#).

Highlights:

- Provides recovery checks to most taxpayers, providing cash immediately to individuals and families. Individuals are eligible for checks up to \$1,200 and married couples filing jointly are eligible for checks up to \$2,400, with an extra \$500 for each child. So that relief is focused on those who need it most, eligibility for recovery checks is reduced starting at \$75,000 in 2018 income for individuals and \$150,000 in 2018 income for joint filers. Individuals with 2018 income exceeding \$99,000 and joint filers with 2018 income exceeding \$198,000 are ineligible.
- Extends the traditional April 15 tax filing deadline to July 15 and allows individuals required to make estimated tax payments to postpone them until October 15.
- Waives penalties for early withdrawal from qualified retirement accounts for coronavirus-related purposes of up to \$100,000.
- Allows the Secretary of Education to defer student loan payments and allows students who were forced to drop out of school due to coronavirus to keep their Pell grants.
- Grants colleges and universities flexibility to continue work-study payments to students who cannot work due to coronavirus closures.

SENATE COMMITTEE ON HEALTH, EDUCATION, LABOR AND PENSIONS (“HELP”)

HELP Committee section by section [here](#).

Highlights:

- Addresses supply shortages for drugs and critical equipment, including ventilators and medical masks.
- Expands testing and ensures coronavirus tests are free for patients.
- Speeds the development of new vaccines and treatments, such as reducing barriers to work with the private sector.
- Permits patients to use health savings accounts to cover telehealth services and expands telehealth access for Medicare beneficiaries.
- Increases Medicare payments to hospitals treating a patient admitted with coronavirus.

SUNDAY DEVELOPMENTS ON CARES ACT

On Sunday, Senate Democrats blocked Leader McConnell’s attempt to advance a coronavirus economic rescue package after leaders in both chambers disagreed on how to spend nearly \$2 trillion. The 47-47 vote, with 60 needed to advance the measure, puts in question McConnell’s original plan for the Senate to pass the bill by today. Both parties want an immediate and extensive rescue for the economy but they continue to differ on key sections, including a \$500 billion chunk of the bill that could be used to help corporations, including airlines, or state and local governments.

In negotiations across the aisle, and with mediation by Secretary Mnuchin, McConnell’s team agreed to add hundreds of billions of dollars in spending, including additional unemployment aid and public health spending, but Democrats remained unsatisfied and charged that Republicans were focused on corporations over workers. House Speaker Nancy Pelosi left a meeting in McConnell’s office earlier Sunday saying they had no deal and the House would write its own package, a move that could add days of partisan wrangling. In a letter to colleagues Sunday night ([available here](#)), Pelosi said the House is finalizing their “Take Responsibility for Workers and Families” legislation but there are still many differences between that bill and the Senate’s CARES Act.

Also Sunday, Senate Majority Leader Mitch McConnell unveiled an economic rescue package with money for middle-class taxpayers, the unemployed and even local governments. Republicans continued to negotiate the deal after Democrats blocked the first effort to advance the

measure because they said it gave too much discretion to the Treasury Department and didn’t do enough for workers.

The package negotiated over the weekend added up to around \$2 trillion including loans that would be paid back. The total programmatic cost would be \$1.3 trillion to \$1.4 trillion though the measure may have grown since yesterday. A draft text of the altered bill can be found [here](#); healthcare, education, and labor provisions summary [here](#); and business and taxpayer provisions summary [here](#).

Highlights of Leader McConnell’s plan can be found below:

Bigger checks to the poor, unemployed

The plan includes payments of \$1,200 to many middle-class individuals or \$2,400 for married couples, plus \$500 per child. The payments start to phase out for people making more than \$75,000 or couples making \$150,000. Democrats were able to secure a change from a previous version that allows low-income taxpayers to get the full \$1,200 payment. The initial plan would have given smaller checks, or in some cases, no money at all, to very-low income people.

Unemployment insurance payments would be boosted under the draft and recipients would be eligible to receive those funds for longer. Democrats have insisted throughout the negotiations that any bill include much more generous payments to those who find themselves without a job during the pandemic.

Loans become grants if workers kept on payroll

The pot of money for loans that could go to corporations and state and local government grew to some \$500 billion available for as many as five years. Of that, \$50 billion would be available for loans to passenger airlines and \$8 billion for cargo carriers. Another \$17 billion would be available to “businesses critical to maintaining national security.” The draft text doesn’t offer more detail on the types of companies that would be eligible.

Separately, the draft includes about \$350 billion in loans for small businesses that would convert to grants if the companies retain their employees. The aid does include restrictions. Corporations getting money would be prohibited from share buybacks and would be required to maintain their employment levels as of March 13, 2020. The companies also would have to freeze compensation

for employees earning more than \$425,000 for two years, and they'd be prohibited from offering departing executives so-called golden parachutes, or payments worth more than twice their annual salary. The government would be able to take equity stakes in businesses, without voting rights.

Fed could amplify loan support

The bill would authorize the Treasury to use \$425 billion of the \$500 billion "to make loans, loan guarantees, and other investments in support of programs or facilities established by the Board of Governors of the Federal Reserve System for the purpose of providing liquidity to the financial system that supports lending to eligible businesses, states or municipalities."

Senate Banking Committee Chairman Mike Crapo said the legislation would expand the Fed's authority to include state and local governments as entities it can lend to, and buy debt from, to assist them.

Millions for private-plane airports

The nation's airports would receive \$10 billion. Of that, \$3.7 billion would be split between commercial airports based on how many passengers boarded planes there in 2018, with another \$3.7 billion allocated to airports based on their debt. Airports that serve private, small, and charter planes would receive \$100 million.

Restaurants can deduct cost of renovations

This version retains a sizable tax perk for restaurants and retailers, and a big political win for Republicans. Businesses would temporarily be able to have more flexibility to use losses to offset their tax bills. They could also write off more of the interest they pay on debt during the crisis. Restaurants and retailers would be able to deduct the entire cost of renovating their stores in a single year. A mistake in the 2017 tax law meant they had to spread those costs over several years.

Taxpayers who take the standard deduction could write off up to \$300 charitable donations in 2020. Typically that benefit is only available to those who itemize. The bill would also temporarily lift some limits on the charitable tax break for those who itemize. Businesses can defer paying employer-side payroll taxes during 2020. They have to pay half of those taxes by the end of 2021 and the second half in 2022.

Railroads get grants if they recognize unions

Passenger railroads and public transit agencies would receive a direct infusion of federal aid under the draft bill. The aid wasn't part of the original bill introduced by McConnell. Amtrak would receive about \$1 billion, with roughly half earmarked for the Northeast Corridor, according to the draft bill released Sunday. To receive a grant, the passenger rail system would be required to recognize unions, maintain worker benefits, and provide unemployment assistance. States would also not have to pay their full share of operating and capital costs for rail service.

Transit systems would receive \$20 billion in grants, with \$4 billion of that marked for rural areas only, according to the draft bill.

Relief for oil industry, not renewable energy

The draft legislation includes \$3 billion for the acquisition of oil for the nation's Strategic Petroleum Reserve. The funding for the emergency stockpiles had been requested by the Trump administration for the purchase of up to 77 million barrels of crude oil to support the domestic industry and boost reserves at cheap prices.

The bill would also apparently permit the government to buy commercial crude inventories without stashing the oil in the strategic petroleum reserve sites along the Gulf Coast.

Companies that refine oil into gasoline could also benefit from a large pool of funds in the bill reserved for loans and loan guarantees for businesses that are deemed "critical to maintaining national security."

Attempts by the renewable energy and Democrats to add billions in tax credits for wind, solar, batteries, and electric vehicles were left out of the bill.

Student loan payments suspended

The new draft language released Sunday would suspend payments on federal student loans without interest for six months. A previous version would suspend payments for three months and give the secretary discretion to extend non-payment for another three months. The bill also would suspend payments for both federal Direct Loans and federally guaranteed student loans. Previous language included only Direct Loans.

The legislation also includes a \$20 billion education stabilization fund for K-12 schools and public colleges and universities.

A major package still remains likely but now could take additional time for the two parties to work out their differences especially as the House continues to write its own bill. However, there is a heightened sense of urgency as the virus continues to ravage not just the nation but Congress itself. On Sunday Senator Rand Paul (R-KY), announced that he had tested positive for the coronavirus, and some other Republicans said they are self-quarantining because they had been in contact with him. Two House members, Mario Diaz-Balart (R-FL) and Ben McAdams (D-UT), also have also tested positive for the virus.

MONDAY NEGOTIATIONS UPDATE

On Monday, Senate negotiations on a plan to reinvigorate the pandemic-stricken economy hit another roadblock after Democrats in the chamber again rejected the \$2 trillion proposal over concerns that it puts corporations over individuals. The 49 to 46 vote with 60 needed, following a similar vote late Sunday, blocked McConnell's latest version of the stimulus proposal, which was the subject of a frenzied bipartisan discussion this weekend. Leader McConnell warned that, at this rate, if any senator objects to a virus stimulus bill, the Senate won't be able to pass it until Friday or Saturday due to procedural rules. On the other side of the aisle, Senate Minority Leader Schumer has been in continuous negotiations with Treasury Secretary Steven Mnuchin and they're close to striking a deal Tuesday morning. After that deal has been met, Democrats will be on board and the package will likely swiftly pass out of the Senate. The Senate and the Democratic-led House will have to pass the same version of the bill to send it to President Donald Trump to sign into law.

Monday night, Speaker Pelosi released the draft text of the "Take Responsibility for Workers and Families Act," a \$2.5 trillion virus economic stimulus plan in a bid to shape negotiations on the Senate measure. According to a press release, Pelosi's 1,400-page bill "makes health care affordable and accessible, bolsters the health care system, protects frontline response workers, puts money in the pockets of individuals and families, enhances unemployment compensation, expands paid leave, ensures food security, supports small businesses, assists state and local governments, invests in schools and universities, and upholds our Constitutional imperative to hold elections this year."

The House legislation would have broad implications for the financial sector. It would force lenders to grant a temporary reprieve from mortgage and car payments and credit card bills. It would order the Federal Reserve to provide loan servicers with liquidity to allow borrowers to stop paying their mortgages for up to 360 days. Public housing residents would get a temporary reprieve from paying rent, and student loan borrowers would have \$10,000 of debt forgiven. Negative consumer credit reporting would be halted. Foreclosures and evictions would be banned.

The House bill would require corporations receiving any federal assistance to restrict executive pay, ban so-called golden parachute payments for departing executives, halt stock buybacks and dividend payments, pay a \$15 minimum wage, and maintain their workforce and any labor union agreements. Under the House bill, all individuals with a Social Security number, including retirees and the unemployed, would receive \$1,500, compared with \$1,200 for taxpayers in the Senate bill. But households with 2020 income over \$150,000 for a joint filer, \$112,500 for a head of household filer, and \$75,000 for a single filer will be required to pay back part or all of the assistance payment over three years. For these households, the payment is a zero-interest loan. Both bills would boost unemployment checks by \$600 per week and expand the pool of people who qualify. The legislation would authorize the Federal Reserve to purchase state and local government bonds to bolster resources needed to fight the coronavirus outbreak. The House bill would also send \$60 billion to schools and universities. The text of the Take Responsibility for Workers and Families Act, H.R. 6379, is [here](#). A summary of H.R. 6379 is [here](#). A one pager on key details of the legislation is [here](#). Please note these negotiations are in the early stages and provisions of this bill are likely to change.

There are currently no plans for House members to return to Washington to vote on the bill, and the proposal appears to be a list of demands Democrats want to see included in the Senate bill.

TUESDAY NEGOTIATIONS UPDATE

All eyes are on the negotiations Secretary Mnuchin is orchestrating between Senate leaders in consultation with Speaker Pelosi. Throughout the day and into the night last night, the differences were reportedly narrowing, with Senator Schumer leaking some of the key concessions each side had made in order to reach a deal shortly after midnight. The critical next step is for a deal to be formally reached and for Senate consideration of that deal, which could come as early as today with bipartisan agreement to

speed up Senate rules that would otherwise not make a vote possible until later in the week. For the latest version of the Senate bill, H.R. 748, please see [HR 748 – CARES Act Text](#).

Any legislation passed by the Senate also needs to be passed by the House of Representatives before President Donald Trump can sign it into law. The fastest route to enacting Phase 3 legislation is for the House to vote on the Senate package with no changes or additions. Speaker Pelosi faces two potential hurdles in doing so: (1) she must secure support from congressional Democrats for a Senate-passed package that likely doesn't include every piece of the House Democrat stimulus package, and (2) the logistics of a House vote itself are complicated with members currently in their districts and concerns of COVID-19.

This update was created at 3:00 p.m. Tuesday, March 24, 2020. BRGR will continue to monitor this developing situation and send out another update on Friday.

AGENCY GUIDANCE

Transportation and Infrastructure Committee

- The House Transportation & Infrastructure Committee Minority put together a [comprehensive document](#), which gives an overview of the actions taken by the many agencies under T&I's jurisdiction. This includes agencies under DOT, DHS (FEMA, FPS, and US Coast Guard), DOD (USACE), Dept. of Commerce (NOAA and EDA), as well as other independent agencies.
- **Please note:** Committee staff said the document will be updated as new information is received.

Federal Reserve

- The Federal Reserve, racing again to contain mounting economic and financial-market fallout from the coronavirus, unveiled a sweeping series of measures that pushed the 106-year old central bank deeper into uncharted territory.
- In a surprise [announcement](#) Monday before markets opened in New York, the U.S. central bank said it will buy unlimited amounts of Treasury bonds and mortgage-backed securities to keep borrowing costs at rock-bottom levels -- and to help ensure chaotic markets function properly. It also set up programs to ensure credit flows to corporations as well as state and local governments.
- Following a string of emergency measures last week, the moves also increasingly push the central bank into

new territory by providing direct support to U.S. employers, municipalities and households, which would traditionally be viewed as fiscal policy.

Federal Emergency Management Agency ("FEMA") Aid

- Announced at the governor call last week, FEMA was put in charge of distributing materials in the states and the governors are to work through their regional FEMA administrators.
- [Available here](#) is a document that depicts the procurement policies from FEMA for emergency circumstances.
- [Available here](#) is FEMA guidance on the types of emergency protective measures that may be eligible under FEMA's Public Assistance Program in accordance with the COVID-19 Emergency Declaration in order to ensure that resource constraints do not inhibit efforts to respond to this unprecedented disaster.
- On March 23, Vice President Mike Pence participated in a call with U.S. Governors at the Federal Emergency Management Agency headquarters. When asked whether the Administration may ease restrictions to "resuscitate the economy," he noted the President's 15-day guidelines aimed at slowing the spread of the virus across the nation remain in effect, but that at the end of those 15 days, experts will evaluate whether adjustments can be made. As an example of easing restrictions, the Department of Homeland Security ("DHS") and Health and Human Services ("HHS") will soon issue guidance allowing medical workers who have been exposed to someone who tested positive for the coronavirus to wear a mask for two weeks but still continue working.

Customs and Border Protection

- Late on March 23, U.S. Customs and Border Protection ("CBP") issued guidance for importers submitting entry information for personal protective equipment and certain other equipment related to the coronavirus public health emergency. Further information, which should be provided to your customs broker for application to relevant entries, is [available here](#).

SMALL BUSINESS RELIEF

Due to the quick spread of the coronavirus, business operations nationwide, particularly small businesses, have been severely disrupted. Mandated isolation and quarantine precautions have caused employees to miss work and customers to no longer go out and shop for goods. Additionally, according to one report, nearly 75

percent of businesses are currently dealing with supply chain disruptions.

In response to these negative impacts of the virus, the government has passed and is continuing to consider measures that provide businesses with financial relief. Please note the following regarding details on the four government-proposed measures intended to provide relief resources for your businesses:

1. Low-interest loans guaranteed by the Small Business Administration
2. Employer Tax Credit
3. Payroll Tax Cut/Government Cash Payment
4. Federal Income Tax Deferment

1. Low Interest Loans Guaranteed by the SBA

President Trump recently announced that the government would be substantially ramping up funding for the SBA's Economic Injury Disaster Loans, loans intended to provide relief for qualifying businesses in the form of:

- Low interest rates: 3.75 percent for businesses and 2.75 percent for nonprofit organizations.
- Long-term repayment plans: Up to a maximum of 30 years.

According to the SBA, you can apply for an Economic Injury Disaster Loan to help you pay for bills you cannot afford due to the coronavirus, such as:

- Payroll expenses
- Fixed Debts
- Accounts Payable

**It is worth noting that businesses with credit elsewhere are not eligible for these low-interest rate loans.*

Residents of the following states are currently eligible to apply: California, Connecticut, Delaware, the District of Columbia, Florida, Georgia, Indiana, Maine, Massachusetts, Montana, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, Rhode Island, Utah, and Washington.

SBA's Economic Injury Disaster Loans offer up to \$2 million in assistance for a small business. These loans can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing. The application, along with more information about this program, can be found [here](#).

2. Employer Tax Credit

Contained within the second coronavirus relief package, the Families First Coronavirus Response Act (H.R. 6201) signed into law on March 18th, is a provision that stipulates that employers with eligible employees are required to provide paid sick leave to impacted and eligible employees for 14 days, at their [regular rate of pay](#) (max \$511/day), in addition to any paid sick leave they already offer employees. Employers are also required to provide paid family leave to qualifying employees for three months.

To offset the costs that these measures would have on employers, the legislation provides a business tax credit equal to 100 percent of the benefited outlined in the bill. These credits will directly lower businesses tax liabilities, dollar-for dollar.

3. Payroll Tax Cuts/CARES Act Provisions

Payroll Tax Cuts

President Trump pitched the idea of cutting payroll taxes, which would give employers and employees some financial relief during this difficult time. Along with slashing the typical Social Security and Medicare tax contributions, the proposal would also relieve self-employed workers of the 15.3 percent they pay for self-employment tax.

Should a payroll tax cut take place, businesses must remember to adjust their employee withholding. If your business uses a [payroll software](#), your provider should automatically update to reflect the payroll tax cut. However, there was no mention of the payroll tax cut idea in the Families First Coronavirus Response Act. And [according to BBC News](#), "critics said that relief [from the payroll tax cut] would come too slowly and leave out those without jobs."

Direct Cash Payments

Alternatively, the federal government is considering providing Americans with a stimulus check as a part of a third coronavirus response package.

This scenario began gaining [bipartisan support on March 17](#), with the U.S. Treasury Secretary Steven Mnuchin also in support.

Unveiled on Thursday night by Senate Republicans as the Coronavirus Aid, Relief, and Economic Security Act, this nearly \$1 trillion package would give a \$1,200 tax rebate to people who earned \$75,000 or less last year. For

individuals, the sum of the payment would fall by \$5 for each \$100 earned over \$75,000.

The payment would phase out entirely for individuals making more than \$99,000 annually. Married couples who file their taxes jointly would have to make less than \$150,000 to qualify for their payment, which would be \$2,400. This coronavirus check proposal would provide direct assistance to business owners and workers alike.

The package also includes \$300 billion in 7(a) small business loans, up to \$10,000,000 per business, which would be forgiven if the firms don't lay off workers. The loans could be used to cover business expenditures such as payroll support, employee salaries, mortgage payments, rent, utilities, or any other debt obligations that were incurred during the coronavirus epidemic. To be eligible for these loans, businesses must have been in operation on March 1st, had employees for whom the borrower paid salaries and payroll taxes, and have less than 500 employees.

Additional provisions contained within the CARES Act impacting small businesses include:

- \$240 million in grants for SBA Small Business Development Centers and Women's Business Centers for counseling, training, and related services for small business owners impacted by COVID-19.
- \$25 million for SBA to provide grants to associations representing resource partners to establish an online platform that consolidates resources across multiple Federal agencies and a training program to educate small business counselors on those resources.
- \$10 million in grants for Minority Business Development Agency's Minority Business Centers to offer small business owners impacted by COVID-19 counseling, training, and technical assistance.
- Waives the non-federal match requirement for Women's Business Center's for a period of three months.

Also included in the measure are another \$58 billion in loans would go to airlines suffering a demand plunge worse than after 9/11, and another \$150 billion of loans and loan guarantees to other businesses.

5. *Federal Income Tax Deferment*

Another form of financial relief for businesses (and individuals) comes in the form of a federal income tax deferment proposal.

Normally, sole proprietors, single-member LLCs, and corporations end their year on December 31 have a business tax return deadline of April 15.

The deferment, confirmed on March 17 by the Secretary of the Treasury, extends the April 15 deadline for businesses negatively impacted by the coronavirus—without penalties—for 90 days. This will give business owners the opportunity to use their tax liability to cover other expenses.

States have also implemented tax filing and payment guidelines. You can view a [state-by-state tax filing guidance for coronavirus pandemic here](#).

You would not owe penalties on your taxes if you took advantage of the potential federal income tax deferment.

Some cities and states are putting similar tax extensions into motion. For example, [small businesses in San Francisco](#) can defer quarterly taxes until February 2021.

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