

## COVID-19 Economic Resources for Small Businesses March 25, 2020

Small businesses around the Country are experiencing significant disruptions as a result of the COVID-19 pandemic, including temporary closures. Small businesses experiencing these disruptions may be eligible for the following relief:

### Small Business Administration Economic Injury Disaster Loans

Economic Injury Disaster Loans (EIDLs) are now available to small businesses in Alabama and Florida affected by the COVID-19 pandemic. These loans are administered by the Small Business Administration. Eligible small businesses may qualify for a loan of up to \$2 million with an interest rate of 3.75%, and terms of up to 30 years. These loans can be used to pay fixed debts, payroll, accounts payable, and other bills that could have been paid had COVID-19 pandemic not disrupted the economy. Small businesses can use the SBA's online portal to determine their eligibility. For more information on these loans please visit: <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>. The Alabama Small Business Development Center (ASBDC) has posted a webinar and a Power Point presentation that discuss how these loans work and walk participants through the application process. These and other resources can be found on the home page of the ASBDC at: <http://asbdc.org/>

### Federal Coronavirus Relief

Congress has also taken steps to provide relief to small businesses impacted by the COVID-19 pandemic.

First, Congress passed the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (H.R. 6074), which allowed businesses affected by COVID-19 to obtain EIDLs.

Second, Congress passed the Families First Coronavirus Response Act (H.R. 6201). This Act applies to employers with fewer than 500 employees, although employers with less than 50 employees may be eligible for a hardship exemption. Under the Act, employers are eligible for tax credits to offset costs associated with the Act's paid leave requirements.

Third, Congress is currently in the process of passing an additional stimulus package for small businesses. News reports this morning, indicate that Senate Republicans and Democrats have reached an agreement on the terms of this stimulus package. Although the finalized text of the legislation has not been released, it is being reported that this legislation, like the previously introduced Coronavirus Aid, Relief, and Economic Security Act (CARES Act), will provide over \$300 billion in loans to small businesses designed to ensure continuity of employment. Loans for certain allowable expenses, including maintaining payroll, will reportedly be forgiven under this legislation. Additionally, small businesses would be eligible for certain tax credits for maintaining their payrolls. It is expected that the Senate will vote on this legislation today, and that the House will take up this legislation on Thursday, March 26, 2020. HAHS will continue to monitor the progress of this legislation and other available sources of economic relief for small businesses as the pandemic develops.

### Tax Deadlines

Both the Federal Government and the State of Alabama have extended their tax-filing deadlines from April 15 to July 15.

# COVID-19 Alert

*This alert was prepared by Hand Arendall Harrison Sale. For further information or assistance, please contact the attorneys listed below or the attorney with whom you normally work.*

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