



Hauser
Jones & Sas

CERTIFIED PUBLIC ACCOUNTANTS
& TRUSTED ADVISORS

APRIL 4, 2020 NEWSLETTER COVID-19 ECONOMIC RELIEF EDITION

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WE CAN HELP YOU!

At Hauser Jones & Sas PLLC, we have been tirelessly monitoring the government's efforts at fiscal stimulus during this challenging time.

Contact Us:

425-889-1778 253-891-2940

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SBA LOAN - PAYCHECK PROTECTION PROGRAM (PPP)

An SBA loan that helps qualified small businesses and nonprofits (less than 500 employees) keep your workforce employed during the Coronavirus crisis.

This loan includes **potential forgiveness of principal and interest** by SBA if proceeds are used for payroll related costs. Our recommendation is that you "must apply" if you could use the support.

HJ&S can help you with the payroll calculation and necessary documentation but you must apply through your business banking financial institution or another SBA approved lender:

This program is in high demand so act quickly to complete your application and talk to your Banker. More information on PPP from SBA can be found at:

<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

There is a 6-month deferment on loan payments, and 2-year term at 1%. Talk to your HJ&S advisor or attend one of our webinars to learn more. <https://hauserjonesandsas.com/covid-19->

SBA LOAN - ECONOMIC INJURY DISASTER LOAN (EIDL)

In response to the Coronavirus (COVID-19) pandemic, small businesses with less than 500 employees are eligible to apply for an Economic Injury Disaster Loan of up to \$2 Million.

Small businesses also qualify for a related \$10,000 loan advance. **The \$10,000 loan advance is really a grant, because the \$10,000 does not have to be repaid—ever!**

Applicability for the EIDL will be based on your credit. The loan application is simpler than for the PPP, but all loan proceeds must be paid back except for the \$10,000 advance. There is a 1-year loan deferment, 30-year term at 3.75% and no prepayment penalty.



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DEFERRED TAX DUE DATES

Many tax-related due dates have been extended by the federal, state and local governments:

- ◆ **April 15th Federal tax due date has been deferred to July 15th.** This is for both filing and paying your federal taxes. Many states have followed suit.
- ◆ The due date for 2020 Quarter 1 Estimated Taxes has also been moved to July 15, 2020; but watch out—Quarter 2 Estimated Taxes are still due on June 15, 2020.
- ◆ King, Pierce & Snohomish Counties deferred the real estate tax due date to June 1, 2020.
- ◆ Department of Revenue Excise/B&O Taxes - Monthly filers can request an extension of time to pay, but are still expected to file if possible. Call 360-705-6705 for an extension. For quarterly filers, the Quarter 1 due date has been deferred to June 30, 2020.
- ◆ City of Seattle deferred B&O tax due dates for Q1 & Q2 payments, but not filing, to Oct 31st .
- ◆ City of Bellevue extended B&O tax due dates for filing and payments to Oct 31st for Q1 & Q2.

CARES ACT - EXPANDED UNEMPLOYMENT

CARES Act Pandemic Unemployment Assistance:

- ◆ **Extends unemployment assistance to self-employed** workers and independent contractors.
- ◆ *Washington Employment Security is working to update their technology to accommodate self-employed workers and expect to have it ready in **mid-April**. We have been told that they will pay retroactively when the system is up.*
- ◆ Added Federal payments of \$600 per week for up to four months, in addition to state unemployment payments.
- ◆ Extended the duration for unemployment benefits for an additional 13 weeks.
- ◆ Where to apply: <https://esd.wa.gov/unemployment>

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STIMULUS PAYMENTS

Automatic Stimulus Checks:

- ◆ \$1,200 for single taxpayers
- ◆ \$2,400 for married filing jointly (MFJ)
- ◆ \$500 additional for dependents under 17

Stimulus payment phase outs:

- ◆ Single AGI \$75k to \$99k
- ◆ MFJ AGI \$112,500 to \$136,500

You will not receive a stimulus payment if your AGI exceeded the phase out range.

No Action Necessary: If you received a refund via direct deposit on your last filed tax return, you will receive your stimulus payment via direct deposit to the same bank account. Otherwise, you will receive a check in the mail.

PAYROLL TAX RELIEF

- ◆ **Payroll Tax Deferral** - **Deferral for 2020 6.2% employer portion** of social security tax payments deferred due dates to pay 50% by 12/31/21 and the other 50% by 12/31/22.
- ◆ **Employee Retention Credit** - **Refundable tax credit** up to 50% of wages paid. (Maximum \$10,000 per employee.) Credit is for employers that closed or had significantly reduced gross receipts due to coronavirus.
- ◆ **Family First Act - Paid Leave Credit** - **Refundable tax credit** for mandatory sick leave paid to employees. Credit ranges from \$511 to \$12,000.
- ◆ Contact us for more details 253-891-2940

INDIVIDUAL TAX RELIEF

- ◆ **Retirement Plan Distributions** - The 10% **penalty has been waived** for 2020 early retirement plan distributions up to \$100,000.
- ◆ **Required Minimum Distributions** - The **RMD requirement for taxpayers over age 72 has been waived** for 2020. If you took an RMD in the past 60 days you can still roll it back into your retirement plan.
- ◆ **New Charitable Contribution Deduction** - A new above-the-line \$300 charitable contribution deduction is available for taxpayers who do not itemize their deductions on their 2020 tax returns.
- ◆ **Student Loan Payment Deferral** - Federal student loan payments are deferred for six months without penalty.

BUSINESS TAX RELIEF

- ◆ **Net Operating Losses** - Net operating loss carrybacks have been brought back! NOLs can now be carried back five years, **retroactive** to years ending in 2018. The income limitation has been removed.
- ◆ **Qualified Improvement Property** - The 15 year QIP classification for qualifying non-residential improvements is back! And **retroactive** to 2018!! This allows businesses to take the 100% bonus depreciation on qualifying property.
- ◆ **Interest Expense Limitation** - The 30% interest expense limitation has been increased to 50% to allow a larger interest expense deduction for businesses.
- ◆ Contact us for more details 425-889-1778