

COVID-19 Impact: Resources for Businesses

March 23, 2020

Whether it's personal health, a shaken economy or a hindered workforce, businesses and individuals around the world are feeling the effects of the spread of COVID-19 (Coronavirus) and efforts being made to contain the virus. Throughout this rapidly changing situation, our Federal, State and Local government agencies are providing resources to assist everyone navigating this pandemic.

U.S. Federal Tax Deadline Pushed to July 15

The Internal Revenue Service (IRS) has moved the national income tax filing day to July 15 in response to the COVID-19 pandemic. This applies to all individual taxpayers filing a 2019 tax return and all C-Corporations with an original due date of April 15.

2019 income tax payments as well as quarter one estimated income tax payments are now due to the IRS on July 15.

Federal Stimulus and Relief Packages

In hopes to flood the economy with cash and halt the economic uncertainty caused by the Coronavirus, the Senate has introduced a proposed \$1.6 trillion stimulus package.

The stimulus package would be used for individual citizens, small businesses and specific industries that have been significantly impacted. We expect relatively quick passage of this stimulus as both legislative branches of Congress and the President agree that a large liquidity infusion to the economy is needed as soon as possible.

While we wait for details to be confirmed, there is speculation that the stimulus package could involve sending cash payments to individuals, suspending business payroll taxes, low interest SBA loans, industry bailouts, and/or modification of net operating loss and interest expense deduction rules.

We look forward to additional guidance on what could be one of the largest federal emergency fiscal packages ever assembled and how we can help our clients access these funds.

Federal Paid Leave Aid

The Families First Coronavirus Response Act (Families First Act) was signed into law on March 18, 2020. There are two bills within the Act - Emergency Paid Sick Leave and Emergency Paid Family Leave - that provide relief to employees who are unable to work because of certain circumstances relating to the Coronavirus pandemic. [Learn More.](#)

Washington State Paid Sick/Family Medical Leave

The Washington State Employment Security Department has expanded benefits to support businesses and workers whose financial stability is affected by COVID-19, including SharedWork, Partial Employment and Standby programs. [Learn More.](#)

[Click here](#) to access a comparison guide that lists some of the most common employer and employee work scenarios and the benefits available.

State Tax Filing Assistance

The Washington State Department of Revenue (DOR) will work with businesses that cannot file or pay their taxes on time due to the COVID-19 outbreak.

Affected businesses that owe Washington taxes may qualify for filing extension for excise tax returns or late payment penalty waiver requests. The DOR is allowing businesses to request a one-time, 24-month penalty waiver if they have not owed a late penalty in the last 24 months [Learn More.](#)

Other states, such as California, have also enacted (or will enact) deferrals of filing and income tax payments.

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Small Business Administration Loans

The U.S. Small Business Administration (SBA) is offering low-interest federal disaster loans for working capital to Washington small businesses suffering substantial economic injury as a result of the Coronavirus.

Small businesses, private non-profit organizations of any size and small agricultural cooperatives that have been financially impacted as a direct result of the Coronavirus since Jan. 31, 2020, may qualify for Economic Injury Disaster Loans of up to \$2 million to help meet financial obligations and operating expenses.

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.

The interest rate is 3.75% for small businesses. The interest rate for private non-profit organizations is 2.75%. SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years and are available to entities without the financial ability to offset the adverse impact without hardship. [Learn More.](#)

General Planning & Preparation

Whether you're a large enterprise or an owner-operated business, every entity has a unique set of circumstances. For assistance with identifying objectives, assessing risk and creating a communication plan, we recommend the Public Health - Seattle & King Counties guide, "Planning for a Coronavirus Pandemic." [Learn More.](#)

The information provided in this document is not intended nor can it be used to avoid tax penalties levied by a taxing authority. Actions based on this information should not be taken without further consultation with a licensed tax professional.

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