



## **Coronavirus Relief for Small Businesses**

### **Paycheck Protection Program**

In an effort to ensure that qualifying small businesses are able to retain the employees they had on staff prior to the coronavirus outbreak and cover other business expenses, legislation recently signed into law will provide forgivable loans to get them through this crisis. Qualifying small businesses will be provided with low-interest loans equaling 2.5 times their average payroll or \$10 million, whichever is less. These funds shall be used to retain workers and maintain payroll, among other things. Some relief through this program also extends to independent contractors, individuals who operate a sole proprietorship, or qualifying self-employed workers. Portions of the loan used to cover payroll, interest on qualifying mortgage and rent obligations, and utility expenses can be forgiven.

Qualifying small business:

- A business, including qualifying nonprofits and veterans service organizations, with fewer than 500 employees.
- As determined by the SBA, businesses in certain industries with greater than 500 employees could be made eligible.
- A business in the accommodation or food industry with more than one physical location can qualify as long as they do not employ more than 500 employees per location.

These loans are available through SBA-certified lenders.

### **Economic Injury Disaster Loan Program**

On March 20, 2020, the SBA granted South Dakota's request to activate the Economic Injury Disaster Loan Program. To learn more about this program and see if you qualify, please visit [www.sba.gov/disaster](http://www.sba.gov/disaster) or call 1-800-659-2955.

### **Tax Assistance**

Most businesses under 500 employees are required to provide their employees with paid leave (up to \$200/day for paid family and medical leave and \$511/day for paid sick leave) if those employees are unable to work for a coronavirus-related reason. Importantly, businesses falling under this mandate are eligible to have the full cost of providing these paid leave benefits reimbursed through refundable, employer-side payroll tax credits.

Businesses subject to a shutdown order or that have seen a significant reduction in gross receipts may be eligible for an employee retention credit to help offset wages. Certain restrictions apply.

Employers and self-employed individuals may also defer the payment of some employer payroll taxes that would otherwise be due this year. These deferred payroll taxes would be paid over the next two years – half by December 31, 2021, and the other half by December 31, 2022.