



# FREQUENTLY ASKED QUESTIONS

*about the*

## CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT (H.R. 748)

Note to Readers: This overview is based on best-available information. Details may be refined as implementing agencies issue regulations or guidance. AmericanHort is hosting an informational webinar on Tuesday, March 31. A recording of that webinar will be posted under the “webinars” tab at <http://AmericanHort.org/Coronavirus> and we encourage horticultural businesses to review the webinar for further details.

**Question: What parts of the bill are most important to businesses?**

**Answer:** The CARES Act includes several provisions business owners will find important. The act expands loan and grant programs, as well as provides debt relief assistance, to assist businesses with liquidity. To spur demand, the act includes stimulus checks to many American taxpayers and expands unemployment insurance benefits.

Importantly, the act also expands upon the leave provisions in the Families First Coronavirus Relief Act (FFCRA) which was signed into law last week.

## Small Business Administration Programs

### PAYCHECK PROTECTION PROGRAM

**Question: What is the Paycheck Protection Program?**

**Answer:** The Paycheck Protection Program is a new program under the Small Business Administration (SBA) which will provide small businesses and other entities with zero-fee loans of up to \$10 million.

**Question: Are there any benefits to this program?**

**Answer:** The program outlines that up to 8 weeks of average payroll and other costs will be forgiven if the business retains its employees and their salary levels.

**Question: Is there anything special about borrowing or repayment terms?**

**Answer:** Yes, principal and interest are deferred for up to a year and all borrower fees are waived.

**Question: Where can I find more information?**

**Answer:** [More information is available here.](#)

## EMERGENCY ECONOMIC INJURY LOAN ADVANCE

### **Question: What is an Emergency Economic Injury Loan Advance?**

**Answer:** An emergency Economic Injury Loan Advance offers up to \$10,000 to small businesses and nonprofits that apply for an SBA Economic Injury Disaster Loan (EIDL), provided within three days of applying for the loan.

### **Question: Does the Emergency Economic Injury Loan Advance need to be repaid?**

**Answer:** The EIDL Advance does not need to be repaid, even if the grantee is subsequently denied an EIDL, and may be used to provide paid sick leave to employees, maintaining payroll, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments. Eligible recipients must have been in operation on January 31, 2020.

### **Question: Where can I apply for an Economic Injury Disaster Loan?**

**Answer:** [You can apply for a loan here.](#)

## SBA DEBT RELIEF

### **Question: What is the SBA Debt Relief Program?**

**Answer:** The SBA Debt Relief program will provide a reprieve to small businesses as they overcome the challenges created by this health crisis by paying the principal and interest of new (issued prior to September 27, 2020) or current 7(a) loans for a period of six months.

## SBA EXPRESS BRIDGE LOANS

### **Question: What are SBA Express Bridge Loans?**

**Answer:** The Express Bridge Loans are a pilot program which allows small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 with less paperwork while applying for a direct SBA Economic Injury Disaster loan. If a small business has an urgent need for cash while waiting for decision and disbursement on Economic Injury Disaster Loan, they may qualify for an SBA Express Disaster Bridge Loan.

### **Question: What is the maximum amount of an Express Bridge Loan?**

**Answer:** Express Bridge Loans can be written for up to \$25,000.

### **Question: How is an SBA Express Bridge Loan repaid?**

**Answer:** Express Bridge Loans will be repaid in full or in part by proceeds from the EIDL loan

### **Question: Where can I find more information?**

**Answer:** More information is available at your [local SBA District Office](#).

## OTHER SBA PRODUCTS

### **Question: What are my other options with the Small Business Administration?**

**Answer:** [Click here to see a full list of SBA's funding programs.](#)

## Tax Provisions

### EMPLOYEE RETENTION CREDIT

#### **Question: What can you tell me about the Employee Retention Credit?**

**Answer:** Under the Employee Retention Credit, an eligible employer receives a refundable credit for up to 50 percent of qualified wage for each calendar quarter. The maximum amount of employee wages considered per quarter is \$10,000.

#### **Question: Can I take advantage of the Employee Retention Credit and a Small Business Interruption Loan?**

**Answer:** No, an employer that receives a small business interruption loan is not eligible for the Employee Retention Credit.

**Question: Does this credit expire?**

**Answer:** Yes, the Employee Retention Credit only applies to wages paid after March 12, 2020 and before December 31, 2020

## PAYROLL TAX DEFERRAL

**Question: Which payroll taxes are deferred?**

**Answer:** An employer's share of social security taxes is deferred under the act.

**Question: How long are these taxes deferred and when are they due?**

**Answer:** Taxes are deferred from the effective date through the remainder of 2020 and are due 50% on December 31, 2021 and 50% on December 31, 2022.

**Question: Will there be any penalties for deferred payments?**

**Answer:** No, there will be no interest or penalties associated with these payment dates.

## REBATES FOR INDIVIDUALS

**Question: Who is eligible to receive a rebate, and how much will individuals receive?**

**Answer:** U.S. residents with adjusted gross income up to \$75,000 (\$150,000 married) will receive a \$1,200 (\$2,400 married) rebate, plus an additional \$500 per child. The rebate amount is reduced by \$5 for each \$100 that a taxpayer's income exceeds the threshold. Taxpayers with incomes exceeding \$99,000 (\$198,000 for joint filers) will not receive a rebate.

**Question: How will payments be made?**

**Answer:** The IRS will use taxpayers' 2019 tax returns if filed, or in the alternative their 2018 returns, to determine eligibility and process payments.