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Below is a summary of recent federal and state legislation in response to the COVID-19 pandemic. This summary is primarily focused on items relevant to the finances of businesses and individuals. Items that will be of help to individuals are highlighted in green, businesses are highlighted in blue, and to state finances in grey. This chart is neither financial nor legal advice for any specific organization. It is an analysis of the new law before any rules or regulations.

Coronavirus Aid, Relief, and Economic Security Act (CARES)	The Coronavirus Aid, Relief, and Economic Security Act (CARES) provides is an over \$2 trillion recovery package to battle the harmful effects of the COVID-19 pandemic passed and signed on March 27th, 2020.	
	Stimulus payments	Payments of \$1,200 (single) and \$2,400 (joint filers) will be sent to taxpayers within certain income limits by the end of April. An additional \$500 payment is available for each qualifying child. These payments will be determined based on most recently filed tax return or Social Security benefit statement, if no return was filed. The amount of the payment is reduced when income exceeds \$75,000 (single), \$112,500 (head of household), or \$150,000 (joint) and is fully phased out at \$99,000 (single), \$146,500 (head of household), and \$198,000 (joint).
	Retirement Plan Distributions and Loans	Minimum distribution requirements are waived for 2020 distributions from IRAs and certain defined contribution plans. Distributions from qualified retirement plans and IRAs received during 2020 of up to \$100,000 for COVID-19 related purposes are allowed without a 10% penalty, taxable evenly over 3 years beginning with year of distribution. Tax on distributions may be avoided if the amount is fully recontributed within 3 years. Related purposes include a COVID-19 diagnosis for you, your spouse or dependent, or financial hardship as a result of impact on work or lack of child care. Qualified retirement plan loan provisions are broadened to allow loans up to \$100,000 (increased from \$50,000) and a longer repayment period. This applies to loans made within 180 days of enactment.
	Student Loans	Certain student loan payments and accrual of interest on federal student loans are suspended through September 30, 2020. Employers also may make student loan payments on behalf of employees (up to \$5,250) with those amounts excluded from employee income. Contact your loan provider for information about your specific student loan.
	Charitable Contributions	A charitable deduction of up to \$300 is allowed for taxpayers who do not itemize their deductions. The adjusted gross income (AGI) limitation is waived for cash contributions made in 2020. *Donor advised funds and private non-operating foundations are excluded.
	Pandemic Unemployment Compensation	Individuals drawing state unemployment will gain an additional \$600 dollars on top of what their state delivers as an unemployment benefit until July 31, 2020. This section also expands unemployment insurance from three to four months. Individuals are not eligible if they are able to telework with pay or are receiving paid sick leave/paid leave benefits (see FFCRA section for more). *Individuals who do not believe they do not have the ability to qualify for UI should attempt to file for UI under Pandemic Unemployment Assistance (see below).
	Pandemic Emergency Unemployment Compensation	This program provides for an additional 13-weeks of benefits for individuals who have exhausted regular unemployment benefits. Additionally, this program requires states to be more flexible with recipients in work search requirements during the crisis. In addition to the weekly benefit those individuals were already receiving, they will be eligible for the \$600 from PUC (see Pandemic Unemployment Compensation above).

<p>Pandemic Unemployment Assistance</p>	<p>The Pandemic Unemployment Assistance program is modeled after the Disaster Unemployment Assistance program and allows independent contractors, sole proprietors, self-employed individuals, and other individuals would otherwise not be eligible for unemployment insurance access to this benefit. Individuals will be eligible for a UI claim based on what they can provide to the VDOL to show wage history. The benefit will have the same maximum and minimum benefit as the state’s UI program of \$513 and \$191 as of April 1, 2020. An individual operating a business that does not make a salary or reports a loss would still qualify for the minimum benefit. Recipient of PUA will be eligible for the \$600 from PUC (see Pandemic Unemployment Compensation above).</p> <p>There are 11 criteria to be eligible to access this benefit and applicants only need to certify that they meet one. Separately, individuals must be able and available to work “but-for” the COVID-19 state of emergency. Individuals are not eligible if they are able to telework with pay or are receiving paid sick leave/paid leave benefits (see FFCRA section for more).</p>
<p>Greater Lender Flexibility</p>	<p>Lenders can enter into a modification agreement with a borrower within a 90-day period without consequences that would otherwise be categorized as a troubled debt restructuring and to suspend any determination of a loan modified as being a troubled debt restructuring.</p>
<p>Employee Retention Credit</p>	<p>Designed to encourage businesses to keep employees on their payroll. The refundable tax credit is 50% of up to \$10,000 in wages paid by an eligible employer whose business has been financially impacted by COVID-19. Employers may be eligible for a payroll tax credit for 50% of qualified wages paid in 2020 to offset the employer’s share of Social Security taxes up to \$10,000 of qualified wages per employee where business operations are impacted by COVID-19 crisis. The impact is based on suspension of operations or tests applicable to a reduction in gross receipts. Eligible employers with fewer than 100 full-time employees, all employee wages qualify for the credit. For employers with more than 100 full-time employees, qualified wages are wages paid when they are not providing services due to COVID-19.</p> <p>More information about the tax credit can be <a href="#">found here</a> via the Internal Revenue Service.          *this credit does not apply if you take a Small Business Interruption Loan.</p>
<p>Employment Taxes Deferment</p>	<p>Employers and self-employed individuals may defer payment of the employer share of applicable payroll taxes beginning March 12, 2020, and before Jan. 1, 2021. The deferred payment may be paid over 2 years, half in 2021 and half in 2022.</p> <p>*taking this deferment will render a person not eligible for employers that receive PPP.</p>
<p>Business Losses</p>	<ul style="list-style-type: none"> <li>• Net operating losses (NOLs) from 2018, 2019, or 2020 may be carried back 5 years. However, these rules do not apply to real-estate investment trusts (REIT).</li> <li>• The 80% income limitation on use of NOLs is waived for 2018, 2019, and 2020.</li> <li>• The excess business loss limitation of \$250,000 (single) and \$500,000 (married filing jointly) is waived for 2018, 2019, and 2020 allowing business owners to deduct current year losses of any amount against other non-business income.</li> </ul>
<p>Charitable Contributions</p>	<p>The taxable income limitation for 2020 charitable contributions made by corporations is increased from 10% to 25%, if the contributions are made in cash to qualified charities.</p> <p>*Donor advised funds or other supporting organizations are specifically excluded.</p>

Paycheck Protection Program (PPP)	<p>The program would provide cash-flow assistance through 100 percent federally guaranteed loans to employers who maintain their payroll during this emergency. If employers maintain their payroll, and more than 75% of the loan is used on payroll, the loans would be forgiven (tax free), which would help workers remain employed, as well as help affected small businesses and our economy snap-back quicker after the crisis. Employers are eligible to receive 250% of average monthly payroll for these PPP loans which have a host of attractive features, such as forgiveness of up to 8 weeks of payroll based on employee retention and salary levels, no SBA fees, and at least six months of deferral with maximum deferrals of up to a year. Small businesses and other eligible entities (including agricultural business not typically covered by SBA loans and non-profits) will be able to apply if they were harmed by COVID-19 between February 15, 2020 and June 30, 2020. This program would be retroactive to February 15, 2020, in order to help bring workers who may have already been laid off back onto payrolls. Loans are available through June 30, 2020. Businesses that have already let employees go can still be granted a PPP if they bring them back by June 30, 2020.</p> <p>Lenders will be able to accept applications from small businesses starting April 3<sup>rd</sup>, sole-proprietors and independent contractors can begin applying on April 10<sup>th</sup>. You can find Vermont eligible lenders <a href="#">here</a>. More in-depth information for borrowers and lenders, as well as application, can be found <a href="#">here</a> via the Department of the Treasury. You can also find a user-friendly walkthrough of the program on the <a href="#">VT ACCD website</a>.</p> <p>*If you apply for both a PPP and an EIDL, the \$10,000 EIDL advance will reduce the amount you are forgiven. The same costs cannot be covered by a PPP and an EIDL.          *The cancellation of indebtedness is not taxable.</p>
Relief for Existing SBA Borrowers	<p>SBA will cover all loan payments, including principal, interest, and fees, for existing SBA borrowers with standard SBA 7(a), 504, or microloans for six months. This relief will also be available to new borrowers who take out an SBA loan within six months.</p>
Economic Injury Disaster Loans & Emergency Economic Injury Grants	<p>SBA Economic Injury Disaster Loan (EIDL) are now accompanied by grants providing an emergency advance, within three-days of applying for an EIDL, of up to \$10,000 (generally allowing \$1,000 per employee) to small businesses and private non-profits harmed by COVID-19 which <b>does not need to be repaid under any circumstance</b>. These funds may be used to keep employees on payroll, to pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments. To access the advance, you first apply for an EIDL and then request the advance.</p> <p>*If you apply for both a PPP and an EIDL, the \$10,000 will be reduce the amount you forgiven. The same costs cannot be covered by a PPP and an EDIL.          More <a href="#">information can be found here</a>.</p>
Small Business Debt Relief Program	<p>This program will provide immediate relief to small businesses with non-disaster SBA loans, in particular 7(a), 504, and microloans. Under it, SBA will cover all loan payments on these SBA loans, including principal, interest, and fees, for six months. This relief will also be available to new borrowers who take out loans within six months of the President signing the bill into law.</p>

Other Business Provisions	<ul style="list-style-type: none"> <li>• Increase in the interest expense deduction limitation from 30% to 50% of taxable income in tax years beginning in 2019 and 2020, with the option of using the 2019 adjusted taxable income to compute the 2020 limitation.</li> <li>• Reclassification of depreciation schedules for certain restaurant and qualified retail business property to be eligible for bonus depreciation.</li> <li>• Accelerated use of corporate alternative minimum tax (AMT) credits remaining from prior years.</li> </ul>
Stabilization Fund	<p>Vermont should receive about <b>\$1.25 billion</b> within the next 30-days to be applied to expenses between March 1, 2020 and December 31, 2020. This funding is flexible, however, it is restricted to expenses that are: necessary expenditures incurred due to COVID-19, were not accounted for in the budget most recently approved as of the date of enactment, and were incurred during the period between March 1, 2020 and December 30, 2020. The U.S. Department of Treasury will be issuing further regulations after April 12, 2020 providing more guidance.</p>
Funding Channeled Through Existing Programs	<ul style="list-style-type: none"> <li>• \$5.4 million to support public health preparedness and response activities through the Centers for Disease Control;</li> <li>• \$4.7 million in Community Development Block Grant (CDBG) funding to support the expansion of community health facilities, child care centers, food banks, and senior services;</li> <li>• \$5 million in Community Service Block Grants to address the consequences of increasing unemployed and economic disruption;</li> <li>• \$4.3 million in Child Care Development Block Grants to support child care assistance to health care sector employees, emergency responders, sanitation workers, and other works deemed essential during the coronavirus response;</li> <li>• \$4.6 million for housing assistance grants through the Department of Housing and Urban Development;</li> <li>• \$4.1 million in the Low Income Home Energy Assistance Program (LIHEAP);</li> <li>• \$20 million to support public transportation emergency relief;</li> <li>• \$9.6 million to support the state’s airports;</li> <li>• \$3 million in election assistance grants;</li> <li>• \$2 million to support state and local law enforcement and corrections through the Byrne-Justice Assistance Grant (JAG) program;</li> <li>• \$826,000 through the National Endowment for the Arts and the National Endowment for the Humanities to support museums, libraries, and other organizations that have been forced to shut their doors due to the virus;</li> <li>• \$175,000 to support small- and medium-sized manufacturers recover from the economic impacts of COVID-19 through the Manufacturing Extension Partnership program; and</li> <li>• \$862,000 in Emergency Preparedness Grants through the Federal Emergency Management Administration (FEMA).</li> </ul>

The **Families First Coronavirus Response Act (FFCRA or Act)** requires certain employers to provide their employees with paid sick leave and expanded family and medical leave for specified reasons related to COVID-19. These provisions will apply from April 2, 2020 through December 31, 2020.

**Families First Coronavirus Response Act**

**Paid Sick Time & Family and Medical Leave**

Effective April 2, 2020 until December 31, 2020, private sector employers with 500 or fewer workers must provide 12 weeks of paid job-protected leave under the Family and Medical Leave Act. A part-time employee is eligible for leave for the number of hours that the employee is normally scheduled to work over that period. Many employers who rationally do not fall into FMLA are covered by this and employees are eligible if they have been with the employer 30-days. There are six criteria explained in more detail in the below columns.

[Fact Sheet for Employees](#) | [Fact Sheet for Employers](#) | [DOL Questions and Answers](#) | [More information can be found here](#)

**Sick Leave**

The employee is eligible for paid sick leave if they meet the following criteria;

1. is subject to a Federal, State, or local quarantine or isolation order related to COVID-19;
2. has been advised by a health care provider to self-quarantine related to COVID-19;
3. is experiencing COVID-19 symptoms and is seeking a medical diagnosis;

Employees meeting this qualifying reason are eligible for leave of 80 hours or a part-time employee’s two-week equivalent of paid sick leave. Pay is based on the higher of their regular rate of pay, or the applicable state or Federal minimum wage up to \$511 daily and \$5,110 total.

**Family and Medical Leave**

The employee is eligible for paid family and medical leave if they meet any of the below criteria;

4. is caring for an individual subject to an order described in qualifying reason #1 or self-quarantine as described in qualifying reason #2;
5. is caring for his or her child whose school or place of care is closed (or child care provider is unavailable) due to COVID-19 related reasons; or
6. is experiencing any other substantially-similar condition specified by the U.S. Department of Health and Human Services.

For qualifying reason #4 and #6 an employee is eligible to 2/3 for qualifying reasons up to \$200 daily and \$2,000 total. For leave under qualifying reason #5 an employee is eligible for up to 12-weeks of paid sick leave and expanded family and medical leave paid at 2/3 up to \$200 daily and \$12,000 total.

Intermittent leave agreed upon by the employee and employer and not able to be accomplished by schedule flexibility may be allowed under this provision.

	Employer Tax Credit for Sick Leave	<p>The FFCRA has positive two positive tax implications for employers. First, benefits paid out are not covered by payroll tax. Second, payroll tax credits are created to reimburse the employer for the cost of those benefits. Those credits can be used against the employee income tax withholding, social security tax (both employer and employee portions), and the Medicare tax (both the employee and employee portions). The credit is refundable to the extent the credit exceeds the employer’s payroll tax obligation, however, that will constitute taxable income for the employer. Employers should document their actions around the usage of these credits, such as documentation of the reasons why employees are taking leave payments, to substantiate tax credits. Finally, more generous benefits beyond what the legislation prescribes are not eligible for the credit. Government entities, inclusive of state and local governments, cannot receive the credit as it only applies to private employers.</p> <p>*The CARES ACT amended this program which is not reflected in this section.          *Under CARES advances beyond refunds of those credits may be available sooner.          *This leave is not a qualified expense under the PPP established by the CARES Act.</p>
	Emergency Unemployment Insurance Stabilization	<p>If the state experiences at least a 10% increase in unemployment it will be eligible to receive an additional grant, in the same amount as the initial grant, to assist with costs related to the unemployment spike, and would also be required to take steps to temporarily ease eligibility requirements that might be limiting access to UI during the COVID-19 outbreak. This section also provides temporary federal flexibility regarding those UI restrictions which are also in federal law.</p>

H.742 An act relating to Vermont’s response to COVID-19 was passed on March 25<sup>th</sup>, 2020 and signed by the Governor on March 30<sup>th</sup>, 2020

<p><b>H.742 – an act relating to Vermont’s COVID-19 Response</b></p>	<p>Department of Motor Vehicle Extensions</p>	<p>The Commissioner of Motor Vehicles may extend any existing permits issued by the Department of Motor Vehicles, excluding International Registration Plan trip permits, for an additional 90 days. The effective date is retroactive to March 20, 2020 and continue in effect until the termination of the state of emergency declared by the Governor as a result of COVID-19.</p> <p>Directs the Commissioner to extend driver’s licenses; learner’s permits; privileges to operate; non-driver identification cards; registrations; and registration plates or placards for an individual with a disability by 90 days after expiration. The effective date is retroactive to March 17, 2020 and continue in effect until the termination of the state of emergency declared by the Governor as a result of COVID-19.</p> <p>International Registration Plan trip permits and temporary authorizations, temporary registration certificates, and temporary number plates shall be valid for 90 days from the date of issuance. Took effect retroactively on March 20, 2020 and continue in effect until the termination of the state of emergency declared by the Governor as a result of COVID-19.</p>
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	Expanded Eligibility for Unemployment	<p>Individuals who typically would not be eligible for Vermont Unemployment may be under H.742. This new legislation is automatically repealed on March 31, 2021. An individual can take unemployment if;</p> <p><i>Temporarily Laid-Off:</i></p> <ul style="list-style-type: none"> <li>• Because their employer ceases operations for a COVID-19 related reason</li> <li>• As a direct result of an order issued by the Governor or President</li> <li>• For the employees own COVID-19 related isolation/quarantine</li> </ul> <p><i>Left Employment due to:</i></p> <ul style="list-style-type: none"> <li>• Being sick or isolated as the result of COVID-19</li> <li>• An unreasonable risk of exposure at their place of employment as outlined by the CDC and VOSHA</li> <li>• Caring for a family member who is sick or isolated as the result of COVID-19</li> <li>• Caring for a family member who had an unreasonable risk of exposure at their place of employment</li> <li>• Need to care for a child who has had their school or childcare center closed</li> </ul>
	Notification of Unemployment Compensation	<p>An employer is required to provide an individual with notification of the availability of unemployment compensation at the time of the individual's separation from employment. The notification may be based on model notification language provided by the U.S. Secretary of Labor.</p>
	Unemployment Experience Rating Relief	<p>An employer may experience from experience rating relief for employees withdrawing unemployment related to COVID-19. An employer shall only be eligible for relief of charges for benefits paid if the employer rehires, or offers to rehire, the individual within a reasonable period of time after the employer resumes operations at the individual's place of employment, as determined by the Commissioner, or upon the completion of the individual's period of isolation or quarantine.</p>