

# April 2020 TaxBrief



As the far-reaching effects of COVID-19 continue to impact us, the federal government and the IRS have implemented new tax credits and extended important deadlines.

The 2019 federal income tax filing due date is automatically extended from April 15, 2020, to July 15, 2020. Many states are following suit and extending their filing deadlines as well. If you are not able to provide me with the documents needed to file returns by July 15, we can file for an Oct. 15 extension. Please notify me as soon as possible if this is the case.

You can also defer federal income tax payments normally due on April 15, 2020, to July 15, 2020, without penalties and interest, regardless of the amount you owe. This deferment applies to all taxpayers, including individuals, trusts and estates, corporations and other non-corporate tax filers as well as those who pay self-employment tax.

## Credits for Small Business Owners

If you have employees who are unable to work because of COVID-19 quarantine or self-quarantine, or have COVID-19 symptoms and are seeking a medical diagnosis, you may receive a refundable sick leave credit for sick leave at the employee's regular rate of pay, up to \$511 per day and \$5,110 in the aggregate, for a total of 10 days.

For employees who are caring for someone with COVID-19, or are caring for a child because the child's

school or child care facility is closed, or the child care provider is unavailable for reasons related to COVID-19, you may claim a credit for two-thirds of the employee's regular rate of pay, up to \$200 per day and \$2,000 in the aggregate, for up to 10 days.

You are entitled to an additional tax credit that is determined based on costs to maintain health insurance coverage for the eligible employee during the leave period.

If you have fewer than 50 employees, you are eligible for an exemption from the requirements to provide leave to care for a child whose school is closed, or whose child care provider is unavailable in cases where the viability of the business is threatened.

## Relief for Individuals

You can receive two weeks (up to 80 hours) of paid sick leave at 100% of your normal pay if you are unable to work because you are quarantined, and/or experiencing COVID-19 symptoms and seeking a medical diagnosis.

You can receive two weeks (up to 80 hours) of paid sick leave at two-thirds your normal pay if you are unable to work because of a need to care for an individual subject to quarantine, to care for a child whose school is closed or whose child care provider is unavailable for reasons related to COVID-19, and/or you are experiencing substantially similar conditions as specified by the U.S. Department of Health and Human Services.

If you are unable to work because you have to care for your child whose school is closed, or a child care provider is unavailable for reasons related to COVID-19, you may in some instances receive up to an additional 10 weeks of expanded paid family and medical leave at two-thirds your normal pay.

As we navigate these unprecedented times together, please reach out to me with any questions you may have. If I don't have an immediate answer, I will follow up after consulting my industry resources. Hoping you all remain in good health and continue to spread kindness and empathy wherever you go.