

# COVID-19 Impact: Resources for Individuals

March 17, 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.

## IRS Defers 2020 Tax Payments

The Internal Revenue Service has not changed the traditional tax filing deadline of April 15, or the ability to extend your tax return. However, they have provided an extension on tax payments.

If you owe a 2019 income tax payment to the IRS based on your 2019 tax return, as an individual taxpayer you can defer payment of the tax up to \$1 million for 90 days, interest and penalty-free. Businesses can defer up to \$10 million of tax payments. Income tax payments to the IRS will not be due until July 15, 2020.

This applies to all U.S. individual taxpayers filing a tax return and all C-Corporations with an original due date of April 15, 2020. Additional guidance relating to 2020 estimated income tax installments will be issued once administrative updates are announced.

## Federal Stimulus and Relief Packages

In hopes to flood the economy with cash and halt the economic uncertainty caused by the Coronavirus, the White House and Senate have expressed support for a proposed \$850 billion stimulus package.

The stimulus package would be used for individual citizens, small businesses and specific industries that have been significantly impacted. We expect 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, 0% 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.

Additionally, Congress is expected to soon pass an aid program bill that would provide paid sick leave time off for many workers. The bill temporarily guarantees up to 10 paid sick leave days.

## Taking Time Off Work

Benefits available for employees who need to take time off work due to COVID-19 vary depending upon the circumstances:

- ▶ If you contract COVID-19, the first and best option for employees who need to miss work due to illness is to use employer-paid time off. If this leave isn't available, Paid Family & Medical Leave may be available to help.
- ▶ If your employer has temporarily shut down and has asked you to isolate or quarantine, you may be eligible for unemployment benefits or qualify for standby. Note, you must not be receiving payment from your employer, such as paid sick leave or paid time off.
- ▶ If you are laid off work temporarily or if your hours are reduced due to a business slowdown or a lack of demand as a result of COVID-19, you may be able to receive unemployment benefits. Eligibility decisions are made on a case-by-case basis.
- ▶ If you cannot work because you must care for your child due to school closures, the first and best option is to use employer-paid time off. If your employer fires you or lays you off while you are absent, you may qualify for benefits.

*Turn Page for Additional Information*

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[Learn More](#) About Taking Time Off Work

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

### **Individual Financial Support and Relief**

Washington State is working to compile a list of local bankers, financial associations, telecoms, utilities and major employers that may be able to provide relief, such as:

- ▶ Deferred bills, waived fees, discounts, no-interest loans and other support.
- ▶ Debt and late-penalty forgiveness for companies and workers in order to help keep people employed.
- ▶ Favorable credit terms for firms that encounter cash flow problems.

*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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