



The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law Friday, March 27, 2020. The \$2.2 trillion package provides relief and incentives for individuals and businesses. It includes the following provisions:

**Individual:**

- Advanced credits against 2020 taxes equal to \$1,200 for individuals, or \$2,400 for joint filers, plus \$500 for each qualifying child, subject to income limitations;
- Waiver of early distribution penalties for coronavirus-related distributions from retirement accounts;
- Waiver of 2020 required minimum distributions from retirement accounts;
- Incentives for making charitable contributions for the 2020 tax year, including an above-the-line deduction for individuals who do not itemize, and an unlimited itemized deduction for charitable contributions which are normally limited to 50 percent of AGI for individuals who itemize; and
- An exclusion from income for employers' repayments of employees' student loans.

**Business:**

- A refundable payroll tax credit for 50 percent of wages paid by employers to employees during the COVID-19 crisis;
- Deferral of the time payroll taxes need to be paid;
- Five-year carryback for net operating losses (NOLs) arising in 2018, 2019, and 2020.
- A provision allowing NOLs arising before 2021 to fully offset income;
- Increases the amount of deductible business interest;
- Treat qualified improvement property as 15-year property placed in service after 2017 will qualify for the 100 percent bonus depreciation; and
- U.S. Small Business Administration (SBA) loan programs such as the Economic Injury Disaster Loan (EIDL) Program and the Paycheck Protection Program (PPP)



### **Additional related benefits:**

- The IRS postponed the April 15, 2020 federal income tax filing and payment deadline to July 15, 2020.
- First quarter estimated tax payments usually due April 15, 2020 are now postponed to July 15, 2020.
- States are also providing tax relief for individuals and businesses.
- Emergency paid sick and family leave benefits are available to employees (with some limitations and exceptions).
- Employers, including those self-employed, have available refundable tax credits to offset the costs for providing coronavirus-related leave benefits.
- Deadline for making Individual Retirement Account and Health Savings Account contributions for the 2019 tax year has been postponed to July 15, 2020.

### **Helpful resources**

- [IRS Coronavirus Resource Center](#)
- [U.S. Small Business Administration: Coronavirus Small Business Guidance and Loan Resources](#)

We will continue to provide updates on the CARES Act as they become available. If you have any questions or concerns, please contact us.

The Spiegel Team

info@spiegelcorp.com  
(925) 977-4000