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SELECTED RESOURCES FOR SMALL BUSINESSES AFFECTED BY CORONAVIRUS

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Below is a summary of certain available federal and state resources for small businesses and nonprofit organizations in need of financial assistance due to the Coronavirus (aka Covid-19) pandemic as well as certain other information and legislation under consideration. Since this is an evolving landscape, the list of available resources and your business or non-profit's eligibility to receive those resources may change. We plan to periodically update this information as new material programs and information become available. This list is for reference purposes and is not intended to be exhaustive of all the available programs or resources that may apply to your business or to the Coronavirus. If you would like additional information or have any questions, please email:

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U.S. Small Business Administration Economic Injury Disaster Loan Program

The SBA offers eligible small businesses suffering substantial economic injury as a result of Coronavirus and that are located in designated states and adjacent counties in other states access to low-interest federal disaster loans. The SBA defines “substantial economic injury” as an inability of a business to meet its obligations and to pay its ordinary and necessary operating expenses. Disaster loans are intended to provide working capital to help small businesses survive until normal operations can be resumed. Small businesses may be eligible for up to \$2 million in assistance. The interest rate is currently 3.75% for small businesses and 2.75% for non-profit entities.

The list of eligible states is likely to be updated frequently. As of 7 am on March 18, 2020, the eligible states were California, Connecticut, Maine, Montana, Nevada, New Mexico, Rhode Island, Utah and Washington, as well as Washington D.C. Here is a link to the list of eligible states and adjacent counties:

<https://www.sba.gov/disaster-assistance/coronavirus-covid-19#section-header-1>

A business located in one of those states or adjacent counties must not exceed a threshold number of employees or annual receipts. The thresholds are determined by the North American Industry Classification System (NAICS) code for your business and vary by participant and by industry. Here is a link to those codes and applicable thresholds:

<https://www.law.cornell.edu/cfr/text/13/121.201>

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General information about the SBA loan can be found here:

https://disasterloan.sba.gov/ela/Documents/Three_Step_Process_SBA_Disaster_Loans.pdf

The first step in the SBA process is to register and complete an application form. Some information on registration and the application is below. Please note the SBA site indicates that relief is provided for economic injury but the site is maximized to deal with property damage from a natural disaster like a hurricane or flood. We would hope/expect the U.S. government will update this form to better tailor it more to the business interruption caused by shutdowns due to trying to flatten the spread of the Coronavirus.

1. Before you can apply for your business, an individual needs to register with the SBA. Please note that the individual (not the underlying business) registers with the SBA and it appears that there is no separate registration for businesses. Here is the link to the registration:

<https://disasterloan.sba.gov/ela/Account/Register1>

2. Once registered you can apply for a loan for your business here:

<https://disasterloan.sba.gov/ela/>

The registration process asks for fairly typical information about your business including tax identification number, address, contact person, information about the loss in question 1 (the only appropriate box to check is for “Economic Injury”), number of employees and some personal information about any owner of 20% or more of the equity of the business.

3. The remainder of the application process requires submission of supplemental information including:

- a. Personal Financial Information for the person that registers (the SBA does not appear to request financial statements for the underlying business);
- b. Schedule of Liabilities, i.e. list of creditors;
- c. Authorization for the IRS to release tax information for the business and the registrant; and
- d. Copies of Tax Returns for the business.

For more information and list of SBA resources, please visit this link:

<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

SELECTED STATE INFORMATION

CONNECTICUT

Connecticut DECD Loan Payment Deferral

On Friday, March 13, 2020, Governor Lamont announced that the Connecticut Department of Economic and Community Development will defer loan payments for three months for businesses that participate in the Small Business Express Program that are impacted by Coronavirus.

Connecticut Business Tax Return Filing and Payment Deadline Extension

The Connecticut Department of Revenue Services is granting an automatic extension of at least 30 days of Connecticut filing deadlines and payment deadlines for certain annual state tax returns due on or after March 15, 2020 and before June 1, 2020. The impacted returns and associated filing dates and payment deadlines are set forth below:

- **2019 Form CT-1065/CT-1120 SI Connecticut Pass-Through Entity Tax Return:**
Filing deadline extended to April 15, 2020; payment deadline extended to June 15, 2020
- **2019 Form CT-990T Connecticut Unrelated Business Income Tax Return:**
Filing date extended to June 15, 2020; payment deadline extended to June 15, 2020
- **2019 Form CT-1120 and CT-1120CU Connecticut Corporation Business Return:**
Filing deadline extended to June 15, 2020; payment deadline extended to June 15, 2020

For more information about filing and payment deadlines, please visit:

<https://portal.ct.gov/DRS/News---Press-Releases/2020/2020-Press-Releases/Effective-Immediately-DRS-Extends-Filing-Deadline-for-Certain-Annual-State-Business-Tax>Returns>

Connecticut Department of Labor Unemployment Publication

The Connecticut Department of Labor (**CT DOL**) has published guidance for businesses and workers about staying home due to the Coronavirus pandemic. The topics covered include whether businesses can require workers to stay home, how to obtain unemployment insurance benefits, paid sick leave and other absence laws, wage and hour laws and the Family Medical Leave Act.

To view this publication, please visit:

<http://www.ctdol.state.ct.us/DOLCOVIDFAQ.PDF>

Connecticut Department of Labor Shared Work Program

The CT DOL Shared Work Program enables employers with at least two employees to reduce employee hours temporarily for up to six months, with the employee's lost wages supplemented by partial unemployment benefits. The program is an alternative to layoffs and is designed to enable an employer to save jobs and retain skilled workers during an economic downturn. The reduction of hours cannot be less than 10% or more than 60%. To participate in the program, the employer must submit an application to the CT DOL for approval, and a decision will be made by CT DOL within 30 days. The application can be found at this link:

https://www.ctdol.state.ct.us/progsupt/bussrvce/shared_work/UC305-SWAPP.pdf

For additional information regarding the Shared Work Program and Frequently Asked Questions, please visit these links:

https://www.ctdol.state.ct.us/progsupt/bussrvce/shared_work/DOL%20SW%20Employer%20fact%20sheet%20-%20update.pdf

https://www.ctdol.state.ct.us/progsupt/bussrvce/shared_work/Shared%20Work%20FAQs%20Employer.pdf

NEW YORK CITY

NYC Small Business Continuity Fund

New York City is offering a zero interest loan of up to \$75,000 to businesses with fewer than 100 employees who have seen sales decreases of 25% or more as a result of Coronavirus to help mitigate lost profits. To be eligible, businesses must meet the following criteria:

- Be located within the five boroughs of New York City;
- Demonstrate that the Coronavirus outbreak caused at least a 25% decrease in revenue;
- Employ 99 employees or fewer in total across all locations;
- Demonstrate ability to repay the loan; and
- Have no outstanding tax liens or legal judgments.

As part of the application process you will be required to provide documentation of your revenue decrease. This may be done by submitting point-of-sales reports, bank statements, quarterly sales tax filings, 2019 tax returns, or CPA-certified profit and loss statements.

For more information about this loan, please visit this link:

<https://www1.nyc.gov/site/sbs/businesses/covid19-business-financial-assistance.page>

If you would like to receive updates from NYC about this loan as updates become available in the upcoming days, please visit this link and fill out the Coronavirus Business Assistance Survey:

<https://www.surveymonkey.com/r/N336ZYB>

NYC Employee Retention Grant Program

New York City is offering a grant to small businesses with fewer than 5 employees to cover 40% of payroll costs for two months to help retain employees. To be eligible, businesses must meet the following criteria:

- Be located within the five boroughs of New York City;
- Demonstrate that the Coronavirus outbreak caused at least a 25% decrease in revenue;
- Employ 1-4 employees in total across all locations;
- Have been in operation for at least 6 months; and
- Have no outstanding tax liens or legal judgments.

As part of the application process you will be required to provide documentation of your revenue decrease. This may be done by submitting point-of-sales reports, bank statements, quarterly sales tax filings, 2019 tax returns, or CPA-certified profit and loss statements.

For more information about this grant, please visit this link:

<https://www1.nyc.gov/site/sbs/businesses/covid19-business-financial-assistance.page>

If you would like to receive updates from NYC about this grant as updates become available in the upcoming days, please visit this link and fill out the Coronavirus Business Assistance Survey:

<https://www.surveymonkey.com/r/N336ZYB>

MASSACHUSETTS

Massachusetts Growth Capital Corporation Coronavirus Loan Fund

On Monday, March 16, 2020, Governor Baker announced that a \$10 million loan fund has been created to provide financial relief to Massachusetts small businesses and nonprofit organizations that have been affected by Coronavirus. Businesses may be eligible to receive up to \$75,000 in assistance (the actual amount will be based on demonstrated cash operating expenses for Q1 of 2020). The terms of the loan are as follows: 3% interest rate; no payments for the first six months, then 30 months of principal and interest payments (direct debited); personal guaranty required from all owners with at least a 20% ownership interest; a lien on all assets of the business; no prepayment penalty. To be eligible, businesses must meet the following criteria:

- Massachusetts-based business or nonprofit organization;
- Fewer than 50 full-time and part-time employees;
- Negative impact from Coronavirus must be verifiable;
- Have no past due tax liabilities or tax liens;
- Cannot currently be in bankruptcy (corporate or personal);
- The following industries are ineligible: real estate investment, multi-level marketing, adult entertainment, cannabis, firearms; and
- Personal credit score under 575 will require an exception.

As part of the application process, you will be required to provide 2018 business and personal tax return, internally prepared 12/31/19 financial statements and YTD 2020 internally prepared financials.

For more information about this loan, please visit:

<https://www.empoweringsmallbusiness.org/what-we-offer/emergency-loan-funds/covid-19-loan-fund>

NEW JERSEY

As of Tuesday, March 17, 2020, New Jersey's eligibility to participate in the SBA's Economic Injury Disaster Loan Program was still being addressed. The NJEDA anticipates that more information should be available within the next few days.

For more information, please visit:

<https://www.njeda.com/about/Public-Information/Coronavirus-Information>

PENDING FEDERAL LEGISLATION

The Families First Coronavirus Response Act, H.R. 6201

The Families First Coronavirus Response Act, H.R. 6201, is a bill that would provide relief to workers and businesses affected by Coronavirus. As of Tuesday, March 17, 2020, the bill has been

passed by the House of Representatives but has not yet been taken up by the Senate. The Senate is expected to act on the bill this week. Some of the relief the bill would offer includes:

- **Emergency Paid Sick Leave Act:** For companies with fewer than 500 employees, paid sick leave for all employees who are (i) diagnosed with Coronavirus and quarantined, (ii) experiencing symptoms of Coronavirus and obtaining a medical diagnosis or care, (iii) quarantined due to exposure or showing symptoms, (iv) caring for a family member who is quarantined, or (v) caring for a child under the age of 18 if that child's school or place of care has been closed due to the Coronavirus pandemic. The rate of sick pay is (x) 80 hours at that employee's regular rate of pay if the employee is diagnosed with Coronavirus, experiencing symptoms and obtaining a medical diagnosis or care, or quarantined due to exposure or showing symptoms, or (y) 80 hours at 2/3 of the employee's regular rate of pay if the employee is caring for a family member who is quarantined or a child under the age of 18. For part-time employees, the rate of sick pay is based on the number of hours the employee works over a 2-week period.
- **Emergency Family and Medical Leave Expansion Act:** For companies with fewer than 500 employees, up to 12 weeks of leave for employees who have been employed for at least 30 days and are (i) quarantined due to exposure to Coronavirus or showing symptoms of Coronavirus, (ii) caring for a family member who is quarantined, or (iii) caring for a child under the age of 18 if that child's school or place of care has been closed due to the Coronavirus pandemic. The first 14 days may consist of unpaid leave or any accrued vacation, personal, medical or sick leave. After the first 14 days, employers are required to pay the employee 2/3 of the employee's regular rate.
- **Payroll tax credits against employer social security taxes for employers to pay for paid sick leave and paid emergency family and medical leave.** A similar tax credit is available for self-employed individuals. The tax credit under the Emergency Paid Sick Leave Act is up to \$511 per day per employee for employees who are diagnosed with Coronavirus, experiencing symptoms and obtaining a medical diagnosis or care, or quarantined due to exposure or showing symptoms, and up to \$200 per day for employees who are caring for a family member who is quarantined or a child under the age of 18. The credit may be applied for up to 10 days. The tax credit under the Paid Emergency Family and Medical Leave Expansion Act is up to \$200 per day, limited to an aggregate of \$10,000 per employee.
- Employers with fewer than 50 employees may be excluded by the Secretary of Labor from the paid leave requirements under certain circumstances.
- Directing additional funds to state unemployment insurance programs and waiving certain eligibility requirements for those who are either diagnosed with Coronavirus or who have lost their job due to Coronavirus.
- Expanding access to SNAP, WIC, and the Emergency Food Assistance Program.

For more information about H.R. 6201, please visit:

<https://www.congress.gov/bill/116th-congress/house-bill/6201>