

Disclaimer

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Today's

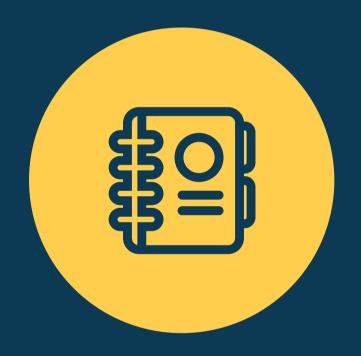
Presenter



Gaurav Malhotra, CPA Audit Partner Lucas, Horsfall, Murphy & Pindroh LLP gm@lhmp.com (310) 493-1159

Today's Agenda

\$2 Trillion CARES Act



Paycheck
Protection Program
(PPP)



Business Provisions



For Individuals

1.Paycheck Protection Program (PPP) (SBA Loans/Grants)

- \$376 Billion in SBA Loans which have a forgiveness feature
- For Businesses with 500 or fewer employees (generally)
- Loan amount- Smaller of \$10 Million or 2.5X average monthly payroll for the 12 months preceding the loan application
- Employers must retain employees to avail the "Forgiveness" feature



2. Business Provisions

<u>Delay Employer</u> <u>Payroll Taxes</u>

- Postpone 2020
 payroll taxes until
 2021 & 2022
- Half of the deferred tax due end of 2021 the other half by end of 2022
- \$350 Billion have been allocated to this program
- Not available to employers using PPP

Employee Retention Tax Credit

- Refundable credit against payroll tax liability equal to 50% of the first \$10,000 in wages per employee. Should meet one of the two following tests:
- 1. Have business operations fully or partially suspended operations due to orders from a governmental entity limiting commerce, travel, or group meetings; or
- 2. YOY (comparing calendar quarters)
 reduction in gross receipts of at least 50%
 until gross receipts exceed 80% YOY
- Effective Mar 12, 2020 to Jan 1, 2021. Not available to employers using PPP, or in conjunction with Work Opp. Tax Credit

Tax Provisions

- Net Operating Loss temporary removal of the 80% taxable income limitation for NOLs taken in 2018, 2019 and 2020: can be carried back 5 years.
- Interest Expenses Destructibility –
 Business interest deduction was capped at 30% of Adjusted Taxable Income (ATI),
 CARES act increases it to 50% of ATI for 2019 and 2020.
- 100% bonus depreciation for qualified leasehold improvement property, qualified restaurant property, and qualified retail improvement property, for property placed in service after 2017

Retirement Plan Funding

 Employers with defined benefit plans may delay contributions otherwise due in 2020 until Jan 1, 2021.

3. Individuals

Rebates of \$1,200 per individual earning less than \$75,000, phased out at \$99,000 per year. Amount increased by \$500 per child.

Retirement Plans:

- (a) Individuals can withdraw up to \$100,000 from retirement plant without incurring 10% tax on early distributions. This amount can be paid back over three years. If not paid back will be picked up in income over a three-year period.
- (b) Loans from qualified retirement plans increase from \$50,000 to \$100,000
- (c) One year delay in Required Minimum

 Distribution from defined contribution plans



Thank you for participating

Lucas, Horsfall, Murphy & Pindroh LLP 299 N. Euclid Ave, 2nd Floor Pasadena, CA 91101

Tel: 626.744.5100 Fax: 626-744-5110 www.LHMP.com