

Business Tax Provisions



The CARES Act

The CARES Act created the following tax provisions for businesses facing COVID-19 related issue.

Employee Retention Credit: Any business facing closure orders or suffer economic hardship due to the coronavirus that continues to pay employees that are furloughed may be eligible for a 50% credit on up to \$10,000 of wages paid to those employees.

Payroll Tax Deferral: Businesses of all sizes can postpone paying their share of the 12.4% Social Security payroll tax owed on their workers' wages. Half of the taxes will be due at the end of 2021 and the other half at the end of 2022.

Carryback Losses: Businesses can “carryback” losses from 2018, 2019, and 2020 to the previous 5 years, which will allow businesses access to immediate tax refunds. The limit of 80 percent of taxable income is also suspended, so taxable income can be fully offset by these business losses.

Qualified Improvement Properties Tax Refund: Small businesses that made investments in Qualified Improvement Properties during 2018 and 2019 can receive tax refunds now. This will reduce costs for interior improvements to buildings and encourage companies to invest.

Please consult your business accountant regarding your eligibility for these programs.