

## ASSISTANCE FOR SMALL BUSINESSES

### **PAYCHECK PROTECTION PROGRAM**

The Paycheck Protection Program provides small businesses with funds to pay up to eight weeks of payroll costs including benefits. All Small Businesses with 500 or fewer employees are eligible. Funds are provided in the form of loans that will be fully forgiven when used for payroll costs, interest on mortgages, rent and utilities. The application will be available through local financial institutions for small businesses and sole proprietorships beginning April 3, 2020 and for independent contractors and self-employed individuals beginning April 10, 2020. The initiative provides 100% federally guaranteed loans to small businesses through December 31, 2020 for SBA 7(a) loans. The program is administered by the U.S. Small Business Administration (SBA). More details are available on the **U.S. Department of the Treasury website**.

### **SBA EMERGENCY ECONOMIC IMPACT DISASTER LOAN (EIDL) GRANT**

The CARES Act streamlined EIDL application requirements and also allows a business that has applied for an EIDL loan due to COVID-19 to request an immediate advance of up to \$10,000. This assistance is available to businesses, cooperatives, ESOPs, Tribal businesses, nonprofits, sole proprietors, and independent contractors with fewer than 500 employees. Business owners should **apply directly through the SBA**.

### **SBA DISASTER ASSISTANCE LOANS**

SBA's Economic Injury Disaster Loans offer up to \$2 million in assistance per small business and can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing. The program offers a 3.75% interest rate for small business and 2.75% for non-profits. Business owners should **apply directly through the SBA**.

### **SBA EXPRESS BRIDGE LOAN**

- Allows small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 with less paperwork.
- Can be a term loan or be used to bridge the gap while applying for a direct SBA Economic Injury Disaster Loan (EIDL).
- Will be repaid in full or in part by proceeds from the EIDL loan.

Business owners can find an Express Bridge Loan Lender via **SBA's Lender Match Tool** or by connecting with your **local SBA District Office**.

### **DEBT RELIEF FOR EXISTING AND NEW SBA BORROWERS**

The bill includes \$17 billion in funding to provide immediate relief to small businesses with standard SBA 7(a), 504, or microloans. The SBA will cover all loan payments for existing SBA borrowers, including principal, interest, and fees, for six months.



## INDIVIDUAL BENEFITS

The CARES Act includes several new and expanded benefits to unemployed Iowans. Please visit **Iowa Workforce Development's website** for the latest available details about this assistance.

## IOWA ECONOMIC DEVELOPMENT AUTHORITY

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### BUSINESS TAX RELIEF

The business tax relief changes included in the Act are federal and will not necessarily automatically apply to Iowa taxes. The Department of Revenue will put out guidance regarding Iowa's conformity with these changes as soon as possible that will be found here:

<https://tax.iowa.gov/COVID-19>

There are several tax relief measures in the CARES Act that benefit businesses, including:

- A refundable payroll tax credit for 50% of wages paid to employees during the COVID-19 crisis
- Deferral of certain payroll taxes through the end of 2020
- Modification of Net Operating Loss carrybacks and carryforwards
- Allows corporations to claim 100% of AMT credits in 2019 as fully refundable.
- Increased interest expense that businesses may deduct from 30% of ATI to 50% of ATI
- Temporary suspension of alcohol taxes on spirits used in production of hand sanitizer in compliance with FDA guidance. Contact the **Iowa Alcoholic Beverages Division** with questions.



**THIS INFORMATION IS AS OF APRIL 2, 2020 AND DETAILS MAY CHANGE.  
PLEASE CHECK PROGRAM WEBSITES FOR THE LATEST UPDATES.**

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