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Financial Resources

The Bloomington-Normal Economic Development Council has compiled and organized a list of various federal, state, and local resources to assist with the sustainability of McLean County businesses having trouble during COVID-19.

The following programs assist businesses that are experiencing a temporary loss in revenue, extend or alleviate deadlines, or ensure employee paychecks.

Federal Programs

<table>
<thead>
<tr>
<th>Economic Injury Disaster Loans (EIDLs) &amp; Advance</th>
<th>Amount</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Business Administration</td>
<td>$2,000,000</td>
<td>Dec. 21, 2020</td>
</tr>
</tbody>
</table>

In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an Economic Injury Disaster Loan advance of up to $10,000. The SBA’s Economic Injury Disaster Loan program provides small businesses with working capital loans of up to $2 million that can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.

The loan advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. This loan advance will not have to be repaid.

Eligibility

The SBA’s Economic Injury Disaster Loan provides vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing as a result of the COVID-19 pandemic.

This program is for any small business with less than 500 employees (including sole proprietorships, independent contractors, and self-employed persons), private non-profit organizations or 501(c)(19) veterans organizations affected by COVID-19.

Businesses in specific industries may have more than 500 employees if they meet the SBA’s size standards for those industries.

The Economic Injury Disaster Loan advance funds will be made available within days of a successful application, and this loan advance will not have to be repaid.

Click here to apply for the SBA’s Injury Disaster Loan Program.

For frequently asked questions regarding the program click here: Injury Disaster Loan FAQ’s
Express Bridge Loans (EBL)
Small Business Administration

The Express Bridge Loan (EBL) Pilot Program, announced by publication of a notice in the Federal Register on Oct. 16, 2017 (82 FR 47958), is designed to supplement the Agency’s direct disaster loan capabilities. As initially announced, the EBL Pilot Program authorizes SBA Express Lenders to provide expedited SBA-guaranteed bridge loan financing on an emergency basis in amounts up to $25,000 for disaster-related purposes to small businesses located in communities affected by Presidentially-declared disasters. In contrast, those small businesses apply for and await long-term financing (including through SBA’s direct Disaster Loan Program, if eligible).

The Small Business Administration is allowing businesses who already have existing relationships with various SBA Lenders, more available access to for loans up to $25,000. These loans are designed for companies with an urgent need for cash.

EBL loans can only be made up to six months after the date of an applicable Presidential Disaster Declaration. For the COVID-19 Emergency Declaration, EBL loans can be approved through Mar. 13, 2021.

What Lenders are authorized to make an EBL Loan?

- EBL loans can only be made by SBA Express Lenders that had a valid SBA Form 2424, “Supplemental Loan Guaranty Agreement SBA Express Program,” in effect as of the date of the applicable disaster. (For the COVID-19 Emergency Declaration, the date of the applicable disaster is Mar. 13, 2020.)
- SBA Express Lenders may only make EBL loans to eligible small businesses with which the lender had an existing banking relationship on or before the date of the applicable disaster.
  - A relationship with any of the SBA Express Lender’s affiliates will not satisfy the requirement of an existing banking relationship.
  - Lenders are cautioned that the provisions of 13 CFR § 120.140 (“What ethical requirements apply to participants?”) continue to apply to the EBL Pilot Program.

What Small Businesses are eligible for the EBL Pilot Program?

EBL loans may only be made to:

- For Presidential Disaster Declarations, small businesses that were located, as of the date of the applicable disaster, in Primary Counties that were declared disaster areas under the Presidential Disaster Declaration or in any Contiguous Counties; or
- For the COVID-19 Emergency Declaration, small businesses located in any state, territory, and the District of Columbia that have been adversely impacted by the COVID19 emergency.

For more information and a program overview and program terms, please visit the link: Express Bridge Loan Pilot Program.
The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll.

SBA will forgive loans if all employees are kept on the payroll for eight weeks, and the money is used for payroll, rent, mortgage interest, or utilities.

Businesses can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. Businesses should consult with your local lender as to whether it is participating in the program.

Who Can Apply

This program is for any small business with less than 500 employees (including sole proprietorships, independent contractors, and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by coronavirus/COVID-19.

Businesses in specific industries may have more than 500 employees if they meet the SBA’s Size Standards for those industries.

Small businesses in the hospitality and food industry with more than one location could also be eligible if their individual locations employ less than 500 workers.

Loan Details and Forgiveness

The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll). Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees.

Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.

This loan has a of 2 years and an interest rate of 1%.

To begin an application, download a copy of the PPP Borrower Application Form to see the information that will be requested from you when you apply with a lender.
With the outbreak of the COVID-19 virus and its detrimental impact on small businesses, the state is invoking its option to adjust Community Development Block Grant allocations to address specific needs to benefit Illinois’ non-entitlement communities in case of unforeseen circumstances. $20 million will be available for this program. The Downstate Small Business Stabilization component has been established to provide working capital funds to a community’s businesses economically impacted by the COVID-19 virus.

The program component makes funds available for 60 days of verifiable working capital up to a grant ceiling of $25,000 and is available for businesses that employ 50 people or less. The number of employees includes the business owner(s). These funds may be used to assist private for-profit small retail and service businesses, or businesses considered non-essential by the Governor’s Executive Order without the ability for employees to work remotely.

Notice of Funding Opportunity

The Guidebook includes detailed information about program requirements and eligibility, as well as the Application forms.

Applications must be submitted by a unit of local government recognized by the Illinois Constitution and able to support economic development activities on a sufficient scale. This includes cities, villages, and counties. Municipalities must not be a HUD direct Entitlement community or be located in an urban county that receives "entitlement" funds (see list in program Guidebook). Applications will be made “in support of” the benefiting business and funds will be passed through to the business via a Participation Agreement.

To avoid the spread of COVID-19, all applications must be submitted by scanning in the required documents and emailing them to: ceo.ocd@illinois.gov

Answers to the most frequently asked questions can be found here: Downstate Small Business Stabilization Program FAQs

For technical assistance, please reach out to the grant manager in your area, email ceo.ocd@illinois.gov, or call the Office of Community Development at 217/785-6174.

The following items must be completed and included as part of the application:

- Application Forms from the Guidebook; pages 13-49
- Uniform Grant Application
- Uniform GATA Budget - DO NOT complete Section B, Budget Summary Non-State of Illinois Funds
• **Exempt/Categorically Excluded not subject to 58.5 Environmental Review form** - Please complete all information in red on this form. Please eliminate red highlighting and change text color to black before submission.

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**Emergency Child Care for Communities & Providers**

**Illinois Office of Early Childhood Development**

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<thead>
<tr>
<th>Amount</th>
<th>Deadline</th>
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<tr>
<td>TBD</td>
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</table>

Partners throughout the State of Illinois have established a childcare structure and system to provide care for essential workers. For as long as the public health emergency continues, licensed and licensed-exempt childcare homes may serve up to six children of essential workers as a legally license-exempt home. Certain license-exempt childcare centers may also continue to serve up to ten children of essential workers (not to exceed five classrooms) without needing to apply for an Emergency Child Care License.

Additionally, centers that wish to reopen as Emergency Child Care Centers can apply for an Emergency Childcare License.

If you are a childcare service looking to apply to offer emergency childcare, please visit the website here: [Illinois Emergency Child Care Website](#).

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**Illinois Small Business Emergency Loan Fund**

**Illinois DCEO**

<table>
<thead>
<tr>
<th>Amount</th>
<th>Deadline</th>
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<tbody>
<tr>
<td>$50,000</td>
<td>TBD</td>
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DCEO and the Illinois Department of Financial and Professional Regulation (IDFPR) are establishing the Illinois Small Business Emergency Loan Fund to offer small businesses low-interest loans of up to $50,000.

Businesses located outside of the City of Chicago with fewer than 50 workers and less than $3 million in revenue in 2019 will be eligible to apply. Successful applicants will pay nothing for six months and will then begin making fixed payments at a below-market interest rate for the remainder of a five-year loan term.

Loan funds must be used for working capital, and at least 50% of loan proceeds must be applied toward payroll or other eligible compensation, including salaries, wages, tips, paid leave, and group healthcare benefits. Eligible uses will exclude compensation in excess of $100,000.

**Loan Guidelines**

Term and Interest Rate: Emergency Loan offered as a five-year term loan at 3% annual interest, simple. Payments are deferred for six months, and fixed principal and interest payments will be due after initial deferral. The loan may be repaid early without penalty.

Loan Amount: Borrowers may receive up to $50,000, with borrower loan amounts determined by average monthly revenues prior to COVID-19.
Loan Uses: Loan funds must be used for working capital, and at least 50% of loan proceeds must be applied toward payroll or other eligible compensation, with a commitment to hire or retain at least 50% of a business workforce for six months.

**Borrower Eligibility**

Businesses must have received less than $3 million in gross revenue in 2019 and employ fewer than 50 employees. The employee threshold will be based on average employment over the period of October 2019 to December 2019. Seasonal businesses may base employment on average from January 2019 to December 2019.

The business has experienced at least a 25% decrease in revenues as a result of COVID-19.

Business must be located in Illinois and provide proof of an Illinois business address and a valid business license from an Illinois jurisdiction. Business have been in operations for at least one year.

Please ensure ability to provide bank statements dating back to October 2019 and most recent tax returns.

At this time, non-profits and farm business that would traditionally qualify under the USDA’s farm loan program are not eligible.

Click here to visit [DCEO’s website](https://www.dCEO.org).

Click here to apply: [Accion Small Business Emergency Loan](https://www.accion.org/coronavirus).

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**Small Business Covid-19 Relief**

*Illinois Office of the Treasurer*

<table>
<thead>
<tr>
<th>Amount</th>
<th>Deadline</th>
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<tbody>
<tr>
<td>$25,000,000</td>
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The Office of the Treasurer for the State of Illinois has made available up to $250 million in deposits to financial institutions throughout the state with interest rates at nearly zero. These investments are solely to assist businesses affected by Covid-19 and help overcome revenue shortages.

According to the Treasurer’s Small Business Covid-19 Relief Website:

- State funds will be deposited with qualified financial institutions for a 1-year term at a near-zero deposit rate of 0.01% (0.0001).
- Deposits can be drawn in $1 or $5 million increments, up to a maximum of $25 million per financial institution.
- Deposited funds facilitate affordable loans (not to exceed 4.75%) to small businesses and non-profits to be used to provide bridge funding, pay fixed debts, payroll, accounts payable, and other bills.
- Eligible Illinois businesses or non-profits must: (1) have been shut down or limited due to COVID-19; (2) have less than $1 million in liquid assets or $8 million average
annual receipts (per SBA standards), and (3) be headquartered in the state of Illinois or agree to use the funds in Illinois.

- Deposits can be renewed on a basis determined by the Treasurer’s Office.
- Financial institutions will be required to provide reports to the Treasurer’s Office regarding the usage of program funds, including the number and types of loans provided and the economic impact of such loans.

To view eligibility and apply for this program visit the website here: Illinois Treasure’s Small Business COVID-19 Relief Program

<table>
<thead>
<tr>
<th>State Farm LISC Loan</th>
<th>Amount</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Initiatives Support Corporation</td>
<td>$75,000 - $500,000</td>
<td>NA</td>
</tr>
</tbody>
</table>

LISC provides loans from $75,000 to $500,000 to small businesses through the LISC Rapid Relief and Resiliency Fund. The program allows LISC to make loans similar to banks, but with more flexible credit standards to reach businesses that might not qualify for conventional bank financing.

Uses: working capital, equipment, inventory, tenant improvements, real estate purchases, debt refinancing, etc.

Interest rate: 2% for initial 12 months (up to 6.75%)

Term:
- Up to 48 months
- Up to 20 years amortization for real estate loans
- Loans have no pre-payment penalties

Collateral:
- Real estate and equipment, if subject of the loan
- First lien UCC on all business assets
- Personal guarantee from all owners

Equity: 10% equity at closing (non-working capital)

Eligibility:
- Existing businesses with 3 years minimum experience
- 3 years tax returns required (business and personal)
- Minimum sales of $150,000 annually

Apply here www.surveymonkey.com/r/LISCStateFarm & learn more at www.LISC.org/central-il
The McLean County Board has allocated $300,000 for the Recovery Loan program. The Recovery Loan is a 1% gap loan up to $20,000 (20% of total loan) for nonresidential for-profit businesses under 50 employees in McLean County. The loan requires a partnership from a bank to cover the other 80% of the loan. Deferred payments until January 2021.

Required Documents

1. APPLICATION
2. COVID IMPACT STATEMENT
3. JUSTIFICATION FOR FINANCING - Please provide a letter from your participating lender stating why this project is seeking CDC loan funds.
4. INCOME/CASH FLOW STATEMENTS - Actual/Year-to-Date (3 years past or life of business)
5. BALANCE SHEET - Business Actual/Year-to-Date (3 years past or life of business)
6. PERSONAL FINANCE STATEMENT
7. FEDERAL TAX RETURNS - Business and Owners for 3 years past or life of business
8. SCHEDULE OF DEBT - Mortgages, loan agreements, promissory notes, lien
9. LEGAL DOCUMENTS - Corporate bylaws, partnership agreements, leases

Visit the Bloomington-Normal EDC for more information: https://www.bnbiz.org/resources/mclean-county-recovery-loans/

The McLean County Board has allocated $300,000 for the Micro-Bridge Loan program. The Micro-Bridge Loan is a 1% bridge loan up to $5,000 for nonresidential for-profit businesses under 10 employees in McLean County. The loan requires a support letter from a lender. Deferred payments until January 2021.

Required Documents

1. APPLICATION
2. COVID IMPACT STATEMENT
3. JUSTIFICATION FOR FINANCING - Please provide a letter from your participating lender stating why this project is seeking CDC loan funds.
4. INCOME/CASH FLOW STATEMENTS - Actual/Year-to-Date (3 years past or life of business)
5. BALANCE SHEET - Business Actual/Year-to-Date (3 years past or life of business)
6. PERSONAL FINANCE STATEMENT
7. FEDERAL TAX RETURNS - Business and Owners for 3 years past or life of the business
8. SCHEDULE OF DEBT - Mortgages, loan agreements, promissory notes, lien
9. LEGAL DOCUMENTS - Corporate bylaws, partnership agreements, leases

Visit the Bloomington-Normal EDC for more information:
https://www.bnbiz.org/resources/mclean-county-recovery-loans/
Policy Changes
The Bloomington-Normal Economic Development Council has compiled and organized a list of various federal, state, and policy changes to assist with the sustainability of McLean County businesses having trouble during COVID-19.

Federal Changes

<table>
<thead>
<tr>
<th>Type</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Modification</td>
<td>NA</td>
</tr>
</tbody>
</table>

The Small Business Administration is providing a Debt Relief Program to assist small businesses who are experiencing difficulties due to COVID-19.

According to SBA.gov, the Debt Relief program will allow the SBA will assist with the following:

- Paying the principal and interest of new loans issued prior to Sep. 27, 2020.
- Pay the principal and interest of current loans for a period of up to six months.

For more information, please visit the link: [SBA COVID-19 Resources](https://www.sba.gov/coronavirus)

<table>
<thead>
<tr>
<th>Type</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Credit</td>
<td>NA</td>
</tr>
</tbody>
</table>

The Employee Retention Credit is a fully refundable tax credit for employers equal to 50 percent of qualified wages (including allocable qualified health plan expenses) that Eligible Employers pay their employees. This Employee Retention Credit applies to qualified wages paid after Mar. 12, 2020, and before Jan. 1, 2021. The maximum amount of qualified wages taken into account with respect to each employee for all calendar quarters is $10,000 so that the maximum credit for an Eligible Employer for qualified wages paid to any employee is $5,000.

Eligible Employers for the purposes of the Employee Retention Credit are those that carry on a trade or business during the calendar year 2020, including a tax-exempt organization, that either:

- Fully or partially suspends operation during any calendar quarter in 2020 due to orders from an appropriate governmental authority limiting commerce, travel, or group meetings (for commercial, social, religious, or other purposes) due to COVID-19; or
- Experiences a significant decline in gross receipts during the calendar quarter.
**Note:** Governmental employers are not Eligible Employers for the Employee Retention Credit. Also, Self-employed individuals are not eligible for this credit for their self-employment services or earnings.

For more information and FAQ’s regarding the Employee Retention Credit Program, visit the [IRS Website](https://www.irs.gov/).

<table>
<thead>
<tr>
<th>Delay of Payment of Employer’s Payroll Taxes</th>
<th>Type</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delayed Payment</td>
<td></td>
<td>Dec. 2022</td>
</tr>
</tbody>
</table>

The CARES Act will allow employers and self-employed individuals to defer paying their portion of the Social Security payroll tax of 6.2 percent, otherwise due with respect to wages accrued between Mar. 27, 2020, and Dec. 31, 2020. The deferred amounts will ultimately have to be paid to the U.S. Treasury in two installments.

- The first half of the deferred amount of payroll taxes from 2020 will be due Dec. 31, 2021,
- The second half of the remaining half due Dec. 31, 2022.

The above-delayed provisions apply to all employers regardless of size. However, employers who receive Small Business Act loans that are forgiven under the CARES Act are not eligible for this payroll tax deferral.

Employers that receive paycheck protection loans under the CARES Act are not eligible for the payroll tax deferral if such loans are forgiven under the CARES Act provisions.

<table>
<thead>
<tr>
<th>Family First Coronavirus Response Act (FFCRA)</th>
<th>Type</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Labor</td>
<td>Sick Leave</td>
<td>Dec. 31, 2020</td>
</tr>
</tbody>
</table>

The Families First Coronavirus Response Act (FFCRA or Act) requires certain employers to provide employees with paid sick leave or expanded family and medical leave for specified reasons related to COVID-19. The Department of Labor’s (Department) Wage and Hour Division (WHD) administers and enforces the new law’s paid leave requirements. These provisions will apply from the effective date through Dec. 31, 2020.

Generally, the Act provides that employees of covered employers are eligible for:

- Two weeks (up to 80 hours) of paid sick leave at the employee’s regular rate of pay where the employee is unable to work because the employee is quarantined (pursuant to Federal, State, or local government order or advice of a health care provider), and/or experiencing COVID-19 symptoms and seeking a medical diagnosis; or
- Two weeks (up to 80 hours) of paid sick leave at two-thirds the employee’s regular rate of pay because the employee is unable to work because of a bona fide need to care for an individual subject to quarantine (pursuant to Federal, State, or local government order.
or advice of a health care provider), or to care for a child (under 18 years of age) whose school or child care provider is closed or unavailable for reasons related to COVID-19, and/or the employee is experiencing a substantially similar condition as specified by the Secretary of Health and Human Services, in consultation with the Secretaries of the Treasury and Labor; and

- Up to an additional 10 weeks of paid expanded family and medical leave at two-thirds the employee’s regular rate of pay where an employee, who has been employed for at least 30 calendar days, is unable to work due to a bona fide need for leave to care for a child whose school or child care provider is closed or unavailable for reasons related to COVID-19.

**Covered Employers:**

The paid sick leave and expanded family and medical leave provisions of the FFCRA apply to certain public employers and private employers with fewer than 500 employees. Most employees of the federal government are covered by Title II of the Family and Medical Leave Act, which was not amended by this Act, and are therefore not covered by the expanded family and medical leave provisions of the FFCRA. However, federal employees covered by Title II of the Family and Medical Leave Act are covered by the paid sick leave provision.

Small businesses with fewer than 50 employees may qualify for exemption from the requirement to provide leave due to school closings or childcare unavailability if the leave requirements would jeopardize the viability of the business as a going concern.

**Eligible Employees:**

All employees of covered employers are eligible for two weeks of paid sick time for specified reasons related to COVID-19. Employees employed for at least 30 days are eligible for up to an additional 10 weeks of paid family leave to care for a child under certain circumstances related to COVID-19.[2]

Notice: Where leave is foreseeable, an employee should provide notice of leave to the employer as is practicable. After the first workday of paid sick time, an employer may require employees to follow reasonable notice procedures in order to continue receiving paid sick time.

**Qualifying Reasons for Leave:**

Under the FFCRA, an employee qualifies for paid sick time if the employee is unable to work (or unable to telework) due to a need for leave because of the employee:

- Is subject to a Federal, State, or local quarantine or isolation order related to COVID-19;
- Has been advised by a health care provider to self-quarantine related to COVID-19;
- Is experiencing COVID-19 symptoms and is seeking a medical diagnosis;
- Is caring for an individual subject to an order described in (1) or self-quarantine as described in (2);
- Is caring for a child whose school or place of care is closed (or child care provider is unavailable) for reasons related to COVID-19; or
Is experiencing any other substantially-similar condition specified by the Secretary of Health and Human Services, in consultation with the Secretaries of Labor and Treasury.

Under the FFCRA, an employee qualifies for expanded family leave if the employee is caring for a child whose school or place of care is closed (or child care provider is unavailable) for reasons related to COVID-19.

### Modifications of Credit for Prior Year Minimum Tax Liability of Corporations

**Internal Revenue Service**

<table>
<thead>
<tr>
<th>Type</th>
<th>Deadline</th>
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</thead>
<tbody>
<tr>
<td>Refundable Tax Credit</td>
<td>Dec. 31, 2020</td>
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</tbody>
</table>

The CARES Act amends section 53 of the Internal Revenue Code of 1986 (the “Code”) to accelerate a corporation’s ability to recover AMT refundable credits under section 53(e) that otherwise could have been claimed in 2020 and 2021, to 2018 and 2019, with an option to elect recovery of the full credit amount for 2018. As a result, corporations may obtain additional cash flow that can be used to address the impacts of COVID-19.

The Tax Cuts and Jobs Act of 2017 repealed the corporate alternative minimum tax (“AMT”), but allowed a credit of AMT paid in prior tax years to be used against a corporation’s normal tax liability in taxable years 2018, 2019, 2020, and 2021 and to treat 50% of the credit as refundable in taxable years 2018-2020 and 100% for taxable years beginning in 2021. The CARES Act provides that 100% of an AMT credit will be treated as refundable in the case of a taxable year beginning in 2019.

Further, the CARES Act provides a special election to take the entire refundable credit amount in 2018 and to file a tentative refund claim no later than Dec. 31, 2020. Such credit with such a refund claim is to be verified and processed in a manner similar to tentative refund claims filed under section 6411 of the Code.

The CARES Act requires the Secretary of the Treasury to review the application, determine the amount of the overpayment, and apply, credit, or refund such overpayment, within 90 days of filing in the same manner as section 6411(b) of the Code.

If a corporation filed or was required to file a consolidated return, either for the taxable year in which the credit arose or for the preceding taxable year affected by such loss or credit, the provisions of section 6411(c) of the Code shall apply to adjustments to the same extent and manner as the Secretary of Treasury may provide.

For more information on filing and to find application Form 1139 visit here: [IRS Form 1139](https://www.irs.gov)
The CARES Act increases the business interest expense limitation of Section 163(j) (as amended by the TCJA) from 30% to 50% of adjusted taxable income (i.e., effectively EBITDA) for tax years beginning in 2019 and 2020. For these tax years, taxpayers subject to the limitation (generally, taxpayers with average annual gross receipts for the prior three tax years below $26 million) may now deduct business interest expense up to 50% of their adjustable taxable income. However, taxpayers may still elect to apply the 30% limitation. In the case of a partnership, the election must be made by the partnership.

**Special Rules for Partnership**

_The increased limitation does not apply to partnerships for tax years beginning in 2019. However, partners allocated excess business interest in a tax year beginning in 2019 will be treated as having fully deductible business interest in the following tax year equal to 50% of that allocated excess business interest amount. The remaining 50% of such allocated excess business interest will be subject to the customary limitations for excess business interest, such that it can only be applied against subsequent tax years’ excess taxable income from the partnership._

Election to Use 2019 Taxable Income to Compute Limitation. For tax years beginning in 2020, taxpayers may elect to use their 2019 adjusted taxable income to determine the limitation amount (prorated if the taxpayer’s 2020 tax year is a short tax year). This election must also be made at the partnership level.

Businesses should work with their tax accountants on interest deductions.

The CARES Act included a revision to depreciation rules enacted as part of the Tax Cuts and Jobs Act of 2017 (TCJA) that has corrected a drafting error that many have referred to as the “retail glitch.”

This change will qualify certain interior improvements made to nonresidential real property, known as “qualified improvement property” (QIP), for the expanded bonus depreciation provisions in the 2017 law.

_The TCJA expanded bonus depreciation rules to allow a 100% write-off for certain property acquired after Sep. 27, 2017, and placed in service before Jan. 1, 2023. However, another provision of the new law reclassified many interior improvements to nonresidential buildings in a way that made them ineligible for this treatment._
Prior to the TCJA, many interior improvements to nonresidential building were eligible for bonus depreciation as QIP. The TCJA eliminated the separate asset categories for qualified leasehold improvements, qualified restaurant property, and qualified retail improvement property, effectively lumping all of these separate classes into one QIP category. However, due to an apparent drafting error, legislators unintentionally excluded QIP from bonus depreciation eligibility.

The CARES Act adjusts the depreciable life of QIP from 39 years to 15 years, thereby making it bonus-eligible property. The new law also makes clear that in order to qualify for QIP treatment, the improvements must have been made by the taxpayer. These changes are effective as if they had been a part of the TCJA.

As a result of the legislative fix made via the CARES Act, taxpayers may now claim bonus depreciation for QIP retroactively to when the TCJA was enacted into law. Taxpayers who have claimed depreciation deductions for QIP on post-TCJA tax returns using a 39-year life and no bonus depreciation may still be able to benefit from the change. Taxpayer options for claiming prior year QIP bonus depreciation include:

- File amended returns for affected prior years to capture the appropriate amount of depreciation deductions in the applicable year. (Partnerships that consider amending prior returns will need to account for the administrative adjustment request (AAR) rules.)
- File superseding returns based on when QIP was placed in service and when the applicable return(s) were originally filed.
- File a Form 3115, Application for Change in Accounting Method, to “catch up” on depreciation deductions that should’ve been captured in previous years.

Taxpayers should consult with their tax advisors to determine which of these options are best suited to their specific situations.

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### Unemployment Insurance Provisions

<table>
<thead>
<tr>
<th>Type</th>
<th>Deadline</th>
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<tbody>
<tr>
<td>U.S. Department of Labor</td>
<td>Sep. 30, 2020</td>
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</tbody>
</table>

The U.S. Department of Labor has announced the publication of Unemployment Insurance Program Letter 14-20 (UIPL) outlining relevant provisions of the Coronavirus Aid, Relief and Economic Security (CARES) Act related to the administration of and eligibility criteria for state unemployment insurance (U.I.) programs, including Pandemic Unemployment Assistance (PUA) for those not typically eligible for U.I., such as gig workers, and expanded U.I. Benefits.

The UIPL outlines several new programs under the recent CARES Act. PUA provides benefits for eligible individuals who are self-employed, seeking part-time employment, or who otherwise would not qualify for U.I. Benefits under state or federal law. To be eligible, among other requirements, individuals must demonstrate that they are otherwise able to work and available.
for work within the meaning of applicable state law, except that they are unemployed, partially
unemployed, or unable or unavailable to work because of COVID-19 related reasons.

Under the Federal Pandemic Unemployment Compensation (FPUC) program, eligible individuals
who are collecting certain UI Benefits, including regular unemployment compensation, will
receive an additional $600 in federal benefits per week for weeks of unemployment ending on or

Additionally, the Pandemic Emergency Unemployment Compensation (PEUC) program allows
those who have exhausted benefits under regular unemployment compensation or other
programs to receive up to 13 weeks of additional benefits. States must offer flexibility in meeting
PEUC eligibility requirements related to “actively seeking work” if an applicant’s ability to do so is
impacted by COVID-19.

For more information UIPLs or previous guidance, please visit wdr.doleta.gov/directives/.
For department resources on COVID-19, please visit www.dol.gov/coronavirus.

For more information about COVID-19, please visit www.cdc.gov/coronavirus/2019-ncov/

The Employment and Training Administration administers federal job training and dislocated
worker programs, federal grants to states for public employment service programs, and
unemployment insurance benefits. These services are primarily provided through state and local
workforce development systems.

To receive unemployment insurance benefits, you need to file a claim with the unemployment
insurance program in the state where you worked. Depending on the state, claims may be filed in
person, by telephone, or online.

- You should contact your state's unemployment insurance program as soon as possible
  after becoming unemployed.
- Generally, you should file your claim with the state where you worked. If you worked in a
  state other than the one where you now live or if you worked in multiple states, the state
  unemployment insurance agency where you now live can provide information about how
  to file your claim with other states.
- When you file a claim, you will be asked for certain information, such as addresses and
dates of your former employment. To make sure your claim is not delayed, be sure to give
  complete and correct information.

Where Do I File for Unemployment Insurance?

Unemployment insurance is a joint state-federal program that provides cash benefits to eligible
workers. Each state administers a separate unemployment insurance program, but all states
follow the same guidelines established by federal law.

Please see the map and list below to find the contact information for your state in order to apply
for Unemployment Benefits.
The Illinois Department of Financial and Professional Regulation announced several proactive measures to help professional licensees and education providers in light of the challenges confronting all Illinoisans during the COVID-19 pandemic.

Recognizing the limitation of in-person course availability and to further reduce contact between individuals, the Department has issued a series of variances that provide relief from the provisions of certain Administrative Rules pertaining to license renewal terms and to continuing education requirements. The five Variances may be found here.

Any professional licenses issued by the Department that have renewal dates between Mar. 1, 2020 through and including Jul. 31, 2020, are granted an automatic extension to renew to Sep. 30, 2020. Additionally, all current licensees under the Department’s jurisdiction whose license renewal deadlines fall within the period beginning Mar. 1, 2020 through and including Jul. 31, 2020 shall have up to, and including, Sep. 30, 2020, to complete their continuing education coursework.

The Department is also allowing licensees to complete their continuing education coursework without requiring live attendance and permit for the interactive webinar and online distance education courses in addition to currently permitted methods. These and all Departmental licensees must continue to comply with all pertinent provisions of their respective licensing Acts.

Additionally, during the period beginning Mar. 17, 2020, through and including Jul. 31, 2020, all massage therapy schools are permitted to offer online instruction for their lecture-based, non-hands-on courses.

Finally, all cosmetology schools licensed under Article IIID of the Barber, Cosmetology, Esthetics, Hair Braiding, and Nail Technology Act of 1985 (“BCENT”) are permitted to teach online theory courses above the current ten percent (10%) hour limitation for students who are graduating on or before Jul. 31, 2020.

Please note that all Continuing Education requirements MUST be completed at the time of renewal. Applications for renewal must indicate that all Continuing Education requirements are met.

For a complete list of professions that are affected by this renewal extension, please click here.
Sales Tax Deferrals for Bar’s & Restaurants

Illinois DOR

<table>
<thead>
<tr>
<th>Type</th>
<th>Deadline</th>
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<tbody>
<tr>
<td>Tax Deferral</td>
<td>August 2020</td>
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</table>

In an effort to assist eating and drinking establishments impacted by the COVID-19 outbreak, effective immediately, the Illinois Department of Revenue (IDOR) is waiving any penalty and interest that would have been imposed on late Sales Tax payments from qualified taxpayers.

Who is a qualified taxpayer eligible for relief?

Taxpayers who are eligible for relief from penalties and interest on late Sales Tax payments are those operating eating and drinking establishments that incurred a total Sales Tax liability of less than $75,000 in the calendar year 2019. What are the reporting periods for which qualified taxpayers are allowed relief? Qualified taxpayers will not be charged penalties or interest on late payments for Sales Tax liabilities reported on Form ST-1, Sales and Use Tax and E911 Surcharge Return, that are due for the February, March, and April 2020 reporting periods.

What must qualified taxpayers do to request relief?

For most qualified taxpayers, IDOR will automatically waive penalties and interest. If you receive a notice from IDOR that imposes penalties and interest that you believe should have qualified for a waiver, you can respond to the notice to indicate that you believe you should have qualified for relief. IDOR will review the response and grant relief, if appropriate. Qualified taxpayers are required to file Form ST-1 for each reporting period by their original due dates, even if they are unable to make a payment. To qualify for relief, taxpayers must pay their liabilities due in March, April, and May 2020 on four dates starting on May 20, 2020.

What are the four dates when my payments are due?

The required payment schedule for liabilities reported on Form ST-1 is as follows:

- One quarter (1/4) of the liability for the February, March, and April 2020 reporting periods is due May 20, 2020.
- One quarter (1/4) of the liability for the February, March, and April 2020 reporting periods is due Jun. 22, 2020.
- One quarter (1/4) of the liability for the February, March, and April 2020 reporting periods is due Jul. 20, 2020.
- One quarter (1/4) of the liability for the February, March, and April 2020 reporting periods is due Aug. 20, 2020.
See the example in the following chart:

<table>
<thead>
<tr>
<th>Reporting Period</th>
<th>Liability Amount</th>
<th>Payment Amount</th>
<th>Due Date</th>
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<tbody>
<tr>
<td>February 2020</td>
<td>$1,000</td>
<td>$250</td>
<td>May 20, 2020</td>
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<tr>
<td></td>
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<td>$250</td>
<td>June 22, 2020</td>
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<tr>
<td></td>
<td></td>
<td>$250</td>
<td>July 20, 2020</td>
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<tr>
<td></td>
<td></td>
<td>$250</td>
<td>August 20, 2020</td>
</tr>
<tr>
<td>March 2020*</td>
<td>$1,000</td>
<td>$250</td>
<td>May 20, 2020</td>
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<tr>
<td></td>
<td></td>
<td>$250</td>
<td>June 22, 2020</td>
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<tr>
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<tr>
<td></td>
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<td>$250</td>
<td>August 20, 2020</td>
</tr>
<tr>
<td>April 2020</td>
<td>$1,000</td>
<td>$250</td>
<td>May 20, 2020</td>
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<td></td>
<td></td>
<td>$250</td>
<td>August 20, 2020</td>
</tr>
</tbody>
</table>

*Includes quarterly filers reporting liabilities on Form ST-1 for January, February, and March.

Note that you must begin making full payment on the scheduled due date for liabilities beginning with the May 2020 reporting period, which is due Jun. 22, 2020, and all reporting periods following.

Taxpayers with questions should visit the IDOR website at [tax.illinois.gov](http://tax.illinois.gov) or email us at [REV.TA-Sales@illinois.gov](mailto:REV.TA-Sales@illinois.gov)

About the EDC

The EDC helps businesses in McLean County grow and attracts new businesses to our community. We are a leadership organization, investing our community’s assets to grow and improve our prosperity and quality of life.

For More Information Visit

[bnPrepared.org](http://bnprepared.org)