

Resources for Small Businesses in Response to COVID-19

City of Carson, California
Adjourned Regular Council Meeting
March 31, 2020

Federal Assistance

Federal Coronavirus Small Business Assistance Under the CARES Act

- * The stimulus package includes several programs aimed at assisting small businesses, such as:
 - * **Paycheck Protection Loans**
 - * **Expanded access to U.S. Small Business Administration Economic Injury Disaster Loans**
 - * **Emergency grant of \$10,000 to SBA Economic Injury Disaster Loan applicants**
- * <https://www.sba.gov/funding-programs/disaster-assistance>

Paycheck Protection Loans

- * **Paycheck Protection Loans:** The U.S. Small Business Administration (SBA) will guarantee loans with terms of up to 10 years and interest rates of up to 4% to businesses with fewer than 500 employees. Businesses can qualify for loans of up to \$10 million, and the loans will be provided by lenders including banks and credit unions. Eligible businesses can get loan deferment for six months to a year, and the loan may be forgiven if the businesses maintains its payroll for eight weeks at employees' normal salary levels.

Economic Injury Disaster Loans

- * **Expanded access to U.S. Small Business Administration Economic Injury Disaster Loans:** As part of its disaster assistance program, the SBA is providing working capital loans of up to \$2 million to small businesses and nonprofits affected by the coronavirus. These loans carry an interest rate of 3.75% for small businesses and 2.75% for nonprofits. Loan repayment terms vary by applicant, up to a maximum of 30 years. The stimulus updated the program so that sole proprietors and businesses with fewer than 500 employees qualify, and applicants don't need to provide a personal guarantee on loans under \$200,000. Payments can also be deferred for up to four years.

Emergency Grant of \$10,000

- * **Emergency grant of \$10,000 to SBA Economic Injury Disaster Loan applicants:** Even if your business is denied a loan, you can still access this grant, which can be used to provide employee sick leave, maintain payroll or meet other needs like paying rent.

SBA Debt Relief

- * The SBA Debt Relief program will provide a reprieve to small businesses as they overcome the challenges created by this health crisis.
- * Under this program:
- * The SBA will also pay the principal and interest of **new 7(a) loans** issued prior to September 27, 2020.
- * The SBA will pay the principal and interest of **current 7(a) loans** for a period of six months.

SBA Express Bridge Loans

- * **Express Bridge Loan Pilot Program** allows small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 with less paperwork. These loans can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing and can be a term loans or used to bridge the gap while applying for a direct **SBA Economic Injury Disaster loan**. If a small business has an urgent need for cash while waiting for decision and disbursement on Economic Injury Disaster Loan, they may qualify for an **SBA Express Disaster Bridge Loan**.
- * **Terms**
 - * Up to \$25,000
 - * Fast turnaround
 - * Will be repaid in full or in part by proceeds from the EIDL loan

Exporting Assistance

- * SBA provides export loans to help small businesses achieve sales through exports and can help these businesses respond to opportunities and challenges associated with trade, such as COVID-19. The loans are available to U.S. small businesses that export directly overseas, or those that export indirectly by selling to a customer that then exports their products.
- * **Export Express** loan program allows access to capital quickly for businesses that need financing up to \$500,000. Businesses can apply for a line of credit or term note prior to finalizing an export sale or while pursuing opportunities overseas, such as identifying a new overseas customer should an export sale be lost due to COVID-19.
- * **Export Working Capital** program enables small businesses to fulfill export orders and finance international sales by providing revolving lines of credit or transaction-based financing of up to \$5 million. Businesses could use a loan to obtain or retain overseas customers by offering attractive payment terms.
- * **International Trade** loan program helps small businesses engaged in international trade to retool or expand to better compete and react to changing business conditions. It can also help exporting firms to expand their sales to new markets or to re-shore operations back to the U.S.

State Business Assistance

State Tax Relief to Businesses

- * The due date of the return or payment for individuals or businesses filing a return for less than \$1,000,000 in tax, the payment of taxes or fees due or the payment of taxes is extended to July 31, 2020.**

State Tax Relief to Businesses

- * The statute of limitations to file a claim for refund for the taxes and fees administered by the Department of Tax and Fee Administration are extended for a period of 60 days for individuals who or businesses that are unable to file a timely claim for refund as a result of this proclaimed emergency related to COVID-19. The provisions in this paragraph are effective after the date of this Order and shall remain effective for all claims for refunds that must otherwise be filed by **July 31, 2020.**

Regulatory Deadlines

- * The deadlines to pay annual fees, including any installment payments, currently due or that will become due during the proclaimed emergency, are extended by 60 days. This includes the Alcoholic Beverages Control Commission.

Tax Relief - California EDD

- * Employers experiencing a hardship as a result of COVID-19 may request up to a 60-day extension of time from the EDD to file their state payroll reports and/or deposit state payroll taxes without penalty or interest. A written request must be received within 60 days from the original delinquent date of the payment or return.