

## MDM&C Update

April 17, 2020

### ***State Business Initiatives in Response to COVID-19***

The following, organized by state, are lists and descriptions of various programs adopted by that state and municipalities adopting programs to help businesses and their employees in response to the COVID-19 outbreak and its effect on the economy.

#### **New Jersey**

In addition to a number of programs in place pre-COVID concerns, the New Jersey Economic Development Authority (“NJEDA”) has put into effect the following programs directly in response to the COVID-19 pandemic:

- **Small Business Emergency Assistance Guarantee Program**: The \$10 million program will provide 50 percent guarantees on working capital loans and waive fees on loans made through institutions participating in the NJEDA’s existing Premier Lender or Premier CDFI programs.
- **Emergency Technical Assistance Program**: The \$150,000 program will support technical assistance to New Jersey-based companies applying for assistance through the U.S. Small Business Administration. The organizations contracted will be paid based on SBA application submissions supported by the technical assistance they provide.
- **Small Business Emergency Assistance Loan Program**: The \$10 million program will provide working capital loans of up to \$100,000 to businesses with less than \$5 million in revenues. Loans made through the program will have 10-year terms with zero percent for the first five years, then resetting to the EDA’s prevailing floor rate (capped at 3 percent) for the remaining five years.
- **Community Development Finance Institution (CDFI) Emergency Loan Loss Reserve Fund**: The \$10 million capital reserve fund will take a first loss position on CDFI loans that provide low interest working capital to micro businesses. This will allow CDFIs to withstand loan defaults due to the outbreak, which will allow them to provide more loans at lower interest rates to microbusinesses affected by the outbreak.
- **CDFI Emergency Assistance Grant Program**: The \$1.25 million program will provide grants of up to \$250,000 to CDFIs to scale operations or reduce interest rates for the duration of the outbreak.
- **NJ Entrepreneur Support Program**: The \$5 million program will encourage continued capital flows to new companies primarily involved in innovation and temporarily support a shaky market by providing 80 percent loan guarantees for working capital loans to entrepreneurs.
- **Small Business Emergency Assistance Grant Program**: The \$5 million program will provide grants up to \$5,000 to small businesses in retail, arts, entertainment, recreation, accommodation, food service, and other services, such as repair, maintenance, personal and laundry services, to stabilize their operations and reduce the need for layoffs or furloughs.

Relief for those with a loan or tax credit agreement with the NJEDA. As a first step, the NJEDA is waiving certain specific requirements related to employee presence in the office for the recipients of awards under the following employment-based incentive programs:

1. Grow New Jersey Program (“Grow NJ”),
2. Urban Transit Hub Program (“HUB”)
3. Business Employment Incentive Program (“BEIP”)
4. Business Retention and Relocation Assistance Grant Program (“BRRAG”)

### **New York State/New York City**

Sales tax payments and returns were due March 20, 2020; however, penalty and interest may be waived for quarterly and annual filers who were unable to file or pay on time due to COVID-19. See [Tax relief for quarterly and annual sales tax vendors affected by COVID-19](#) to request relief from penalty and interest.

### **LOAN/GRANT PROGRAMS**

#### **NYC Employee Retention Grant**

<https://www1.nyc.gov/nycbusiness/article/nyc-employee-retention-grant-program>

- Eligible businesses and nonprofits located in New York City are eligible for up to 40% of their payroll for 2 months (up to \$27,000).
- Eligible businesses and nonprofits must have 1-4 total employees across all locations, be in operation for at least 6 months, have no outstanding legal judgments or tax liens, and have had at least a 25% decrease in revenue due to the Coronavirus.
- Eligible businesses must be located within the five boroughs of New York City
- Businesses must 1) Demonstrate that the COVID-19 outbreak caused at least a 25% decrease in revenue; 2) Employ 1-4 employees in total across all locations; 3) Have been in operation for at least 6 months; and 4) Have no outstanding tax liens or legal judgements.
- Eligible businesses and nonprofits must sign an affidavit verifying they are eligible and are applying in order to retain employees and provide their most recent 2 months of payroll records, financial documents for 2 months in 2020 demonstrating revenue decrease due to the Coronavirus, financial documents showing their revenue for the same 2 months in 2019 if they were in business then, and financial documents showing revenue for the full 2019 calendar year.

#### **New York City Small Business Continuity Loan Fund**

<https://www1.nyc.gov/site/sbs/businesses/covid19-business-outreach.page>

\*Applications paused due to overwhelming interest.

- Businesses located in New York City with under 100 employees which have experienced sales decreases of 25% or more will be eligible for zero interest loans of up to \$75,000 as a result of the Coronavirus (which must be demonstrated as part of the application) to help retain employees and ensure business continuity.
- Eligible businesses must be located within the five boroughs of New York City
- Eligible businesses must: 1) Demonstrate that the COVID-19 outbreak caused at least a 25% decrease in revenue; 2) Employ 99 employees or fewer in total across all locations; 3) Demonstrate ability to repay the loan; 4) Have no outstanding tax liens or legal judgments.

New York Community Trust (a non-governmental non-profit organization)

NYC COVID-19 Response & Impact Fund

<https://www.nycommunitytrust.org/covid19/>

The New York Community trust is accepting loan/grant applications from 501(c)(3) nonprofits in New York City.

## Connecticut

The State of Connecticut has provided relief for small businesses by extending filing deadlines for certain annual tax returns by at least 30 days, as well as payments associated with these returns. The following are the impacted returns and associated filing and payment deadlines:

- Connecticut Pass-Through Entity Tax Return (Form CT-1065/CT-1120 SI)
  - Filing date extended to April 15, 2020
  - Payment deadline extended to June 15, 2020
- Connecticut Unrelated Business Income Tax Return (Form CT-990T)
  - Filing date extended to June 15, 2020
  - Payment deadline extended to June 15, 2020
- Connecticut Corporation Business Return (Form CT-1120, CT 1120CU)
  - Filing date extended to June 15, 2020
  - Payment deadline extended to June 15, 2020

The State of Connecticut has also enacted a zero interest loan program for Connecticut small businesses and non-profits negatively affected by COVID-19 under the Connecticut Recovery Bridge Loan Program. The program is administered by the Connecticut Department of Economic Development (DECD) and will make \$25 million available to businesses and non-profits with 100 or fewer employees, allocated on a first-come first-served basis. Through this program the State is offering one-year, zero interest loans in amounts of up to \$75,000. Approved applicants will receive 12-month term loans (which may be extended for 6 months upon request). The goal is to provide assistance for up to 3 months of operating expenses, capped at \$75,000. To be approved, the applicant must demonstrate that the business was profitable prior to March 10, 2020, and the absence of any adverse personal credit reports 60 days past due within the last six months. Additionally, applicants will be required to personally guaranty these loans. Certain industries, including real estate, multi-level marketing, adult entertainment and firearms companies, are not eligible to apply.

The DECD has agreed to extend loan payments for business that received funding under the Small Business Express program by 90 days.

Adversely affected Connecticut businesses and non-profits may also be eligible to apply for federal Small Business Administration loan programs.

## Florida

### Florida Small Business Emergency Bridge Loans

<http://floridajobs.org/rebuildflorida/businessrecovery>

- Any privately held business with 2-100 employees that does business in Florida, was established prior to March 9, 2020 and suffered economic injury as a result of the Coronavirus is eligible for a 1 year term loan.
- The loans will be interest free for 1 year and the interest rate will be 12% per annum on any unpaid balance thereafter. Loan default will be subject to a normal commercial collection process.
- Businesses must demonstrate they suffered a significant economic injury and are unable to meet obligations to pay ordinary and necessary operating expenses as a result of the Coronavirus.
- Loans are available to individuals who individually or collectively own at least 51% of a business and certify that 1) Loan proceeds will be used only for purposes of maintaining or restarting business operations in the designated disaster area; 2) Loan will be repaid by applying for other financial assistance, e.g. SBA Business Disaster Loan, bank loan, etc., or repaid by insurance reimbursement; and 3) A borrower will be required to certify that the proceeds of insurance claims, other loans applied for or to be applied for, or other

financial assistance will be used to repay the loan.

- Applicants must submit at least 2 years of federal income tax returns including all schedules, employer tax documentation and at least 2 years of individual tax returns and may submit interim financial statements for the current year to date, additional funding requirements providing monthly sales figures, and an explanation of credit report concerns and issues.

## **Illinois**

### Illinois Small Business Emergency Loan Program

- Low interest 5-year term loans of up to \$50,000 are available to businesses outside of the City of Chicago that have fewer than 50 workers and had less than \$3 million in revenue in 2019.
- Recipients will owe nothing over the first 6 months and will subsequently make fixed payments at a below market interest rate for the rest of the term.
- Bars and restaurants may use grants for supporting working capital (rent, payroll, and other accounts payable), job training including delivery, take out, and sanitation training, and technology for new operations.
- Hotels may use grants to support the retention of employees.

### Hospitality Emergency Grant Program

- Restaurants and bars that generated between \$500,000 and \$1 million in revenue in 2019 are eligible for up to \$25,000 and those that generated less than \$500,000 in revenue in 2019 are eligible for up to \$10,000.
- Hotels that generated less than \$8 Million in revenue in 2019 are eligible for up to \$50,000.

### Downstate Small Business Stabilization Program

- Local governments in Downstate Illinois counties that do not receive annual allocations directly from HUD may partner with local businesses with up to 50 employees to get state grants of up to \$25,000 per business.

## **Michigan**

- Effective March 18, 2020, Michigan waived penalty and interest on sales, withholding, and use taxes for 30 days.

### Michigan Small Business Relief Program

- Beginning on April 1, 2020, \$20 million in loans and grants will be available to Michigan small businesses impacted by the Coronavirus pandemic.
- The program will be administered by 15 local and nonprofit economic development organizations.
- Eligible businesses must have 50 employees or less; demonstrate an income loss as a result of Executive Order 2020-20; be in an industry outlined in Executive Order 2020-20 (restaurants; bars; coffeehouses; wineries, clubs; hookah, vaping or cigar lounges; theaters and other performance venues; libraries and museums; exercise, sports, and non-essential personal care facilities; casinos; and places of public amusement) or provide support to impacted industries and employees, be located in a high impact corridor or downtown district; and need working capital for rent, mortgage, payroll, or utility payments or other similar expenses that occur in the ordinary course of business.

### Work Share

- Work share permits eligible employees work a reduced number of hours in the work week and receive a portion of weekly unemployment benefits.
- Employers must be current with their unemployment taxes; have experience account balances with positive reserves (however, the work share plan may be approved even if the employer does not have a positive reserve until April 14, 2020); have paid their wages for 12 or more previous quarters; do not hire new

employees into the affected unit or transfer employees in; may not reduce hours below the approved number; and must certify that participation is in lieu of a temporary layoff.

- Work does not apply to seasonal, temporary, or intermittent employees.

## **Ohio**

### HB 197

- On March 27, 2020, Governor Mike DeWine signed HB 197.
- The validity of licenses issued by state and local government agencies is extended for 90 days.

### Liquor Buyback for Restaurants and Bars

- Restaurants and bars may return unopened high proof liquor obtained within the past 30 days to the agency where they purchased the products.

## **Pennsylvania/Philadelphia**

### The COVID-19 Working Capital Access (CWCA) Program

<https://dced.pa.gov/programs/covid-19-working-capital-access-program-cwca/>

- Administered by the Pennsylvania Industrial Development Authority (PIDA) and provides critical working capital financing loans (up to \$100,000) to small businesses affected by the Coronavirus.
- Applications must be submitted through a Certified Economic Development Organization (CEDO).
- Eligible businesses must have 100 or fewer full time employees.
- The loans have 3 year terms with 12-year amortization. No payments are due and payable during the first year. Interest payments, if applicable, are due monthly during the 2nd and 3rd years and a balloon payment is due at the end of the 3rd year)

Philadelphia COVID-19 Small Business Relief Fund [https://phila-uyims.formstack.com/forms/philadelphia\\_covid\\_19\\_small\\_business\\_relief\\_fund](https://phila-uyims.formstack.com/forms/philadelphia_covid_19_small_business_relief_fund)

- Grant and loan program established as a partnership between the City of Philadelphia and the Philadelphia Industrial Development Corporation (PIDC) to assist businesses with under \$5 million in annual revenue to meet payroll and save jobs threatened by the Coronavirus.
- The fund will provide \$5,000 grants to businesses with less than \$500,000 in annual revenue, up to \$25,000 grants for business with annual revenue between \$500,000 and \$3 million, and up to \$100,000 zero interest loans for businesses with annual revenue between \$3 million to \$5 million.
- Businesses with less than \$500,000 annual revenue must submit signed tax returns, a description of the impact of the Coronavirus on their business, and a recovery plan and businesses with over \$500,000 annual revenue must submit this information along with verification of cash flow needs and proof of insurance.

## *Offices*

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