

April 2020

BUSINESS & PERSONAL RESOURCES, EXPLAINED

Listed below are available programs to assist businesses and individuals recover from the COVID-19 crisis. We have provided a break down of each, but please contact us directly so we can explain these programs even further and discuss your next steps.

FAMILIES FIRST CORONAVIRUS RESPONSE ACT - TAX CREDITS

Payroll Tax Credits

Covered employers qualify for dollar-for-dollar reimbursement through payroll tax credits for all qualifying wages paid under the Families First Coronavirus Response Act (FFCRA).

Qualifying wages are those paid to an employee who takes leave under the Act for a qualifying reason, up to the appropriate per diem and aggregate payment caps.

The refundable tax credits apply to qualified sick leave wages and qualified family leave wages. Qualifying employers must fall into one of two categories:

- The employer's business is fully or partially suspended by government order due to Covid-19 during the calendar quarter.
- The employer's gross receipts are below 50% of the comparable quarter in 2019, once the employer's gross receipts go above 80% of a comparable quarter in 2019, they no longer qualify after the end of that quarter.

Other Tax Credits

Alternative Minimum Tax - Refundable AMT Credits through 2021 can be claimed as a refund now.

Payroll Tax Deferrals - Payroll tax payments can be deferred up to two years.

Interest Expenses - Deductible interest expenses is increased from 30% to 50% for 2019 and 2020.

Net Operating Losses - Net Operating Losses arising in Fiscal Years 2018-2020 can be carried back 5 years.

BUSINESS LOAN PROGRAMS FOR SMALL BUSINESSES AND SOLE PROPRIETORSHIPS, INDEPENDENT CONTRACTORS, NON-PROFITS, AND SELF-EMPLOYED INDIVIDUALS.

Require a Lender to Access Program

New Mexico Economic Development Loan Guarantee Program

- Up to \$50,000 Loan Guarantee.
- Proceeds can be used for operations such as working capital, fixed debts, payroll, accounts payable, and other bills that cannot be paid because of the disaster's impact.
- Loan terms based on the Lender.

SBA Paycheck Protection Program

- For Businesses with less than 500 employees.
- Eligible payroll costs can be forgiven.
- Proceeds can be used for eligible payroll costs, mortgage, rent, and utilities.
- **Currently, funds for this have run out. We are keeping a close eye on updates to the Paycheck Protection Program and will update this document as soon as we learn more.**

Other SBA Programs

SBA 7(a) Loan Guarantee:

Loan up to \$5,000,000 and has a broad use for business expansion/retention.

Express Loan:

Loan up to \$350,000 and uses 7(a) terms.

504:

Loan for acquisition/refinance for land, building, and equipment.

Microloan:

Provide loans of up to \$50,000 for underserved areas. Uses include working capital, supplies, and equipment.

[Access Program through Small Business Administration](#)

[Emergency Injury Disaster Loan \(Working Capital Loan\)](#)

- Loan up to \$2 million, maximum interest rate of 3.75%, and a 30-year term.
- Proceeds may be used to pay fixed debts, payroll, accounts payable, and other bills that cannot be paid because of the disaster's impact.
- **Credit Requirements**
 - Applicants must have a credit history acceptable to SBA.
 - Applicants must show the ability to repay the loan.
 - Collateral is required for all EIDL loans over \$25,000.
- **Deadline to apply is December 17, 2020.**

OTHER BUSINESS LOAN PROGRAMS

[New Mexico Economic Development Department LEDA Loan](#)

- Loan is to fund infrastructure, lease abatements, and mortgage abatements and may NOT be used for working capital, payroll, or operations.
- Borrowers are restricted by industry: only manufacturing, warehouse/distribution, non-retail service business with 50% of its revenue outside the state.
- Collateral equal to the loan amount is required.
- Public application process with a 60 to 90 timeline.

[New Mexico Recovery Fund](#)

- Application is through Sun Mountain Capital.
- Loan proceeds may be used for working capital and payroll.
- Loan up to \$10 million, maximum interest rate of 10%, and up to 4-year term.
- **Minimum Qualifications for the program:**
 - Businesses with 40 or more New Mexico employees.
 - Commitment to spend at least 80% of loan proceeds in New Mexico.
 - Demonstrate economic impact due to COVID-19.
 - No business affiliation with Sun Mountain.
 - Capital or State Investment Council.

UNEMPLOYMENT BENEFITS

- Employees laid off or hours reduced due to Covid-19 are eligible for Unemployment Benefits.
- Employees can apply for unemployment at jobs.state.nm.us or by calling **1-877-664-6984**.
- Maximum payment of \$460 per week and certain employees are eligible to receive an additional \$600 per week.
- The work search requirements have been waived.
- There is a week-long waiting period from time of application to when benefits are received.
- Unemployment benefits will be made available for Self-Employed, Independent Contractors, and Gig Economy Workers.
- The Department of Workforce Solutions will announce when initial claims can be filed.

ECONOMIC IMPACT PAYMENTS

The majority of Americans will receive an economic impact payment that's based on their income and the filing status on their 2019 tax return. If you haven't filed your 2019 taxes, your 2018 return will be used to calculate the amount you'll receive. If you qualify, you'll receive one payment. Here's who qualifies:

- If you're a single US resident and have an adjusted gross income less than \$99,000.
- If you file as the head of a household and earn under \$146,500.
- If you file jointly without children and earn less than \$198,000.

A single US resident must have a Social Security number and an AGI under \$75,000 to receive the full amount of \$1,200. The sum decreases as your AGI goes up. If your adjusted gross income reaches \$99,000, you won't be eligible for the stimulus.

For more information, please visit the [**IRS Economic Impact Payments Page**](#).