

INTERNAL REVENUE SERVICE PROGRAMS

Internal Revenue Service Coronavirus-Related Paid Leave

SUMMARY

- IRS established two new refundable payroll tax credits to immediately and fully reimburse business owners, dollar-for-dollar, for the cost of providing Coronavirus-related leave to their employees.
- Employees receive up to 80 hours of paid sick leave and expanded paid child care leave when employee's children's schools are closed or child care providers are unavailable. But if the business employs less than 50 employees, there is an exemption for the paid leave to care for a child if the viability of the business is threatened.
- Health insurance costs are included and employers are not subject to payroll tax liability.

ELIGIBILITY

Businesses with fewer than 500 employees.

HOW TO APPLY

- There will be an immediate dollar-for-dollar tax offset against payroll taxes and if a refund is owed, the IRS will send the refund as soon as possible.
- Businesses can retain and access funds that they would pay to the IRS in payroll taxes if they need immediate relief. In addition, if the funds are not enough to cover the costs of paid leave, employers can submit a form to receive an expedited advance from the IRS. It does not look like the IRS has released the form yet.

MORE INFORMATION

[Click here for more information about IRS coronavirus-related paid leave.](#)

[Click here to visit the full IRS COVID-19 Resources Website.](#)

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ADDITIONAL RESOURCES FOR SMALL BUSINESSES

- **Federal Government Financial Resources:**
 - [CARES Act - Emergency Response Bill for COVID-19](#)
 - [Small Business Administration Programs](#)
 - [Click here to apply to grants provided by federal agencies.](#)
- **State and Local Government Resources:**
 - [Financial Resources](#)
 - [Informational Resources](#)
- **[Non-Government Financial Resources](#)**

These are the opinions of the author, not HCMP. Statements here do not represent specific legal advice. Contact the appropriate lawyers at HCMP if we can be of legal assistance.

Please do not hesitate to reach out to us with questions, and we hope that this memorandum will be of help in your business pursuits in Washington.

Best regards,



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