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Employer Tax Credits in Families First Coronavirus Response Act

On March 18, 2020, President Trump signed into law the [Families First Coronavirus Response Act](#) (the Act). (See the IRS announcement [here](#).) The Act requires employers to provide paid sick leave and expanded family and medical leave to employees for COVID-19 related reasons and creates refundable paid sick leave credits and the paid childcare leave credits for eligible employers. Eligible employers are businesses and tax-exempt organizations with fewer than 500 employees that are required to provide emergency paid sick leave and emergency paid family and medical leave to its employees under the Act. Eligible employers will be able to claim these credits as an immediate dollar-for-dollar offset against certain payroll taxes due (and therefore retain such payroll taxes) or as a refund based on qualifying leave they provide between the effective date of the Act and December 31, 2020. Equivalent credits are available to self-employed individuals based on similar circumstances. Small businesses with fewer than 50 employees will be eligible for an exemption from the requirement to provide paid leave relating to school closings or childcare unavailability, where the requirements would jeopardize the ability of the business to continue. The U.S. Department of Labor will provide emergency guidance and rulemaking to clearly articulate the criteria for exemption. Additional guidance is expected this week.

Tax Filing and Payment Postponed to July 15

The IRS has provided [tax filing and payment relief](#) for any person who has a federal income tax return or payment due April 15, 2020. A “person” includes an individual, trust, estate, partnership, association, company or corporation. The due date for filing federal income tax returns and making federal income tax payments is postponed to July 15, 2020.

IRS Created COVID-19 Tax Relief Website

For a quick reference on tax updates regarding COVID-19, please see the IRS’s new website at <https://www.irs.gov/coronavirus>.

IRS Updates 2019-2020 Priority Guidance Plan

The IRS has released its [second-quarter update to the 2019-2020 Priority Guidance Plan](#). The update details what tax issues the IRS has addressed and what issues from the plan remain outstanding.

State COVID-19 Tax Relief

Several, but not all, states have provided a variety of relief to taxpayers in response to the COVID-19 crisis, including filing and payment extensions, property tax relief and sales and use tax relief. Please consult your state’s revenue department website for additional information (brief list provided below):

California - [Coronavirus Special Tax Relief & Updates](#)

Colorado - [CDOR’s Response to COVID-19](#)

Connecticut - [Filing Extensions & Payment Deadlines](#)

Delaware - [Tax Information on COVID-19 Filing Extensions](#)

Florida - [Taxpayers Affected by COVID-19](#)

Illinois - [COVID-19 Information for Taxpayers](#)

Maryland - [Impact of COVID-19 on Tax Filing](#)

New Jersey - [COVID-19 Related Information](#)

New York - [Information on Novel Coronavirus](#)

Pennsylvania - [Answers to Your Tax Questions](#)

Texas - [COVID-19 News: A Message from the Comptroller](#)

Virginia - [Corporate, Sales & Individual Tax](#)



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