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Please click [here](#) to visit our **COVID-19 RESOURCE CENTER**

The [IRS](#) and [Treasury](#) have issued news releases discussing the details on receiving COVID-19 economic impact payments. Generally, the distribution of economic impact payments made as part of the CARES Act will be automatic for most people. However, people who did not file 2018 or 2019 federal income tax returns will need to submit "a simple tax return" to receive the stimulus payment.

IRS Updates on the Paid Sick and Paid Family Leave Refundable Credits

The IRS, in [Notice 2020-21](#), has indicated that the tax credits for qualified sick leave wages and qualified family leave wages required to be paid by the Families First Coronavirus Response Act (the FFCRA) will apply to wages paid for the period beginning on April 1, 2020, and ending on Dec. 31, 2020. The FFCRA gives businesses with fewer than 500 employees funds to provide employees with paid sick and family and medical leave for reasons related to COVID-19, either for the employee's own health needs or to care for family members. The FFCRA covers the costs of this paid leave by providing small businesses with refundable tax credits. Certain self-employed individuals in similar circumstances are entitled to similar credits. (See our prior coverage [here](#).)

Additionally, the IRS has issued [FAQs](#) on the paid sick and paid family leave refundable credits. Generally, the FAQs provide guidance on (1) document retention requirements for employers, (2) the 500 employee threshold (see also the [Department of Labor guidance](#)), (3) employer's ability to claim more than one credit, and (4) health plans.

IRS Issues FAQs on Employee Retention Credit

The IRS has issued [FAQs](#) on the Employee Retention Credit. (See also, the IRS and Treasury's [news release](#).) The credit is a fully refundable tax credit for employers equal to 50 percent of qualified wages (including allocable qualified health plan expenses) that eligible employers pay their employees. The credit applies to qualified wages paid after March 12, 2020, and before Jan. 1, 2021. The maximum amount of qualified wages taken into account with respect to each employee for all calendar quarters is \$10,000 so that the maximum credit for an eligible employer for qualified wages paid to any employee is \$5,000. (See our prior coverage [here](#).) Generally, the FAQs provide clarity on defined terms and what other credits can be claimed in addition to the Employee Retention Credit.

IRS Issues Draft Form for Advance Payment of Employer Credits Due to COVID-19

IRS has [issued](#) draft Form 7200, Advance Payment of Employer Credits Due to COVID-19, and draft instructions. The form can be used to request an advance of the tax credits for qualified sick and family leave wages and the employee retention credit.

Treasury Issues Guidance on Paycheck Protection Program

The Treasury Department has issued a detailed [information statement](#) providing guidance on the Paycheck Protection Program (PPP). (See also Treasury's [news release](#).) The PPP was established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and authorizes up to \$349 billion in forgivable loans to small businesses to pay their employees

during the COVID-19 crisis. The information statement addresses the businesses that are eligible to apply, as well as the terms and conditions of the loan. (See our additional coverage [here](#).)

IRS Provides Penalty Relief to Employers for Failure to Deposit Employment Taxes

The IRS, in [Notice 2020-22](#), provides relief with respect to certain employers' deposits of Federal employment taxes with the IRS (i.e., FICA and RRTA). Specifically, the Notice provides relief to employers entitled to the new refundable tax credits provided under the FFCRA and the CARES Act. Under the Notice an employer is not subject to the penalty imposed by Section 6656 of the Internal Revenue Code of 1986, as amended, for such employer's failure to timely deposit employment taxes to the extent that the amounts not deposited are equal to or less than the amount of refundable tax credits to which the employer is entitled under the FFCRA and the CARES Act.

IRS Approve Electronic Signature for Certain Documents

The IRS Office of Chief Counsel, in [Notice 2020-005](#), has announced that electronic clearances are now approved for certain Chief Counsel documents and Treasury regulations.

IRS Temporarily Allows Images of Signatures, Emailed Documents

The IRS, in an internal memorandum, has announced that IRS employees may accept through July 15, 2020, images of signatures (scanned or photographed) and digital signatures on certain documents and, in addition, IRS employees may accept documents from and transmit documents to taxpayers via email using SecureZIP or other authorized secured messaging system.

IRS Extends 403(b) and Pre-Approved Defined Benefit Plan Deadlines

The IRS [announced](#) that it is extending the last day of the initial remedial amendment period for Section 403(b) plans from March 31, 2020, to June 30, 2020. Plan sponsors now have until June 30, 2020, to update their pre-approved and individually designed 403(b) plan documents. Additionally, the April 30, 2020 deadlines for certain pre-approved defined benefit plans are extended to July 31, 2020.

Hearings on Notice of Proposed Rulemaking to Be Held Telephonically

The IRS and Treasury [announced](#) that public hearings conducted by the IRS on notices of proposed rulemaking will be held telephonically until further notice and comments should be submitted electronically.

IRS LB&I Division Temporarily Suspends IDR Enforcement Procedures

The Large Business and International Division (LB&I) of the



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IRS, in [memorandum LB&I-04-0320-0007](#), suspended certain information document request (IDR) enforcement procedures through July 15, 2020. The memorandum only applies to the IDR enforcement process for taxpayers who are unable, due to the COVID-19 pandemic, to respond timely to an IDR. However, managers retain the discretion to continue with the IDR enforcement process when in their judgment the interests of tax administration warrant, for example, for cases with short statutes, listed transactions or fraud development.

SBA Releases FAQs Regarding Participation of Faith-Based Organizations in the Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan Program (EIDL)

The U.S. Small Business Administration (SBA) has issued a set of [frequently asked questions \(FAQs\)](#) regarding the participation of faith based organizations in the PPP and EIDL enacted as part of the CARES Act. The FAQs cover topics such as the eligibility of faith-based organizations, including houses of worship, to receive SBA loans under the PPP and EIDL and whether churches, which are not required, under existing law, to apply for recognition of 501(c)(3) status, must submit applications for tax-exemption to the IRS to be eligible.

IRS Updates FATCA FAQs on Consolidated Compliance Groups

The IRS has updated [FAQ 5 and 18](#) regarding compliance with the Foreign Account Tax Compliance Act (FATCA) for consolidated compliance groups. Consolidated compliance groups can be formed by qualified intermediaries, withholding foreign partnerships and withholding foreign trusts. The FAQs address the methods by which such entities can form a consolidated compliance group.