



100 Garden City Plaza, Third Floor  
Garden City, New York 11530  
Telephone: (516) 222-6200  
Facsimile: (516) 222-6209  
Website: [www.bhpp.com](http://www.bhpp.com)

---

### **IRS and NYS Coronavirus Tax Relief Guidance**

Dear Clients,

We understand that these are difficult times for you individually and for your business. We are dedicated to helping you alleviate your tax burdens.

Below is a summary of the Internal Revenue Service (IRS) and NYS Department of Taxation and Finance (NYS) changes in response to the COVID-19 outbreak, as of March 22, 2020. The regulations are changing as rapidly as the spread of the virus. We will continue to update you as the developments emerge.

- The Federal Income Tax filing due date has been extended to **July 15, 2020**.
- Taxpayers may defer any **federal income tax** payment due on the 2019 return until **July 15, 2020**, without incurring any penalties and interest.
- The NYS Income Tax filing due date is still **April 15, 2020**. Taxpayers may file an extension by this date.
- Taxpayers are expected to continue making IRS payroll deposits (see below for exemptions); however, reasonable cause may be established to abate any applicable penalties.
- Taxpayers are expected to timely file and pay all quarterly NYS returns, including sales tax returns; however, penalties may be waived.
- Neither the IRS nor NYS has issued any guidance regarding current Installment Agreements, or for payments due under recently accepted Offers in Compromise.
- IRS call centers are closed, while NYS call centers remain open.

## **IRS Relief Specific to Small and Midsize Businesses**

On March 18, 2020, President Trump enacted the Families First Coronavirus Act (the “ACT”) in which the U.S. Treasury Department, the IRS and the U.S. Department of Labor announced two refundable payroll tax credits, to reimburse eligible employers for the cost of providing Coronavirus related leave to employees.

Eligible employers are defined as businesses and tax-exempt organizations with fewer than 500 employees. Employers with less than 50 employees are eligible for an **exemption**.

Here is what employers need to know pursuant to the ACT:

- I. Employers shall provide up to 80 hours of paid sick leave at **100%** of the employee’s pay, when the employee is quarantined, and/or experiencing COVID-19 symptoms and seeking a medical diagnosis.
  - Employers may claim a refundable sick leave credit for each affected employee, at the employee’s regular rate of pay up to \$511 per day and an aggregate of \$5,110 up to 10 days.
  - Employers may retain an amount of **payroll taxes** equal to the amount of qualifying sick leave that was paid, up to the credit limits above, instead of depositing it with the IRS.
  - The payroll taxes available for retention are the employee’s withheld federal income taxes, the employee’s and the employer’s share of Social Security and Medicare taxes.
  - If there is insufficient payroll taxes to cover the cost of qualified sick leave paid, employers may file a request for an accelerated payment from the IRS (additional details to be released by the treasury)
  
- II. Employers shall provide up to 80 hours of paid child care leave at **two-thirds** the employee’s pay, when the employee is unable to work because of a need to care for an individual subject to quarantine, to care for a child whose school is closed, or child care providers are unavailable. This may be expanded to an additional ten weeks in some instances.
  - Employers may claim a credit for two-thirds of the employee’s regular rate of pay up to \$200 per day and an aggregate of \$2,000 up to ten days.
  - Employers may retain an amount of **payroll taxes** equal to the amount of qualifying child care leave that was paid, up to the credit limits above, instead of depositing it with the IRS.
  - The payroll taxes available for retention are the employee’s withheld federal income taxes, the employee’s and the employer’s share of Social Security and Medicare taxes.

- If there is insufficient payroll taxes to cover the cost of qualified child care leave paid, employers may file a request for an accelerated payment from the IRS (additional details to be released by the treasury)

If you have any further questions or concerns, please feel free to contact me.

Praying that you and your family remain healthy and safe!

Sincerely,  
/s/ Christina Jonathan, Esq.  
P: 516-780-0236  
F: 516-838-8236