



March 28, 2020

The Coronavirus Aid, Relief and Economic Security Act, also known as the CARES Act, provides emergency assistance and healthcare response for individuals, families and businesses affected by the COVID-19 pandemic.

TITLE II of CARES details the relief provisions available to businesses. The following are the key elements:

1. **Delay of estimated tax payments for corporations** – the due date for any required installment under section 6655 (estimated income tax payments) of the Internal Revenue Code of 1986 which would be due during the applicable period shall not be due before October 15, 2020.
2. **Delay of payment of employer payroll taxes** – This provision would allow taxpayers to defer paying the **employer portion** of certain payroll taxes through the end of 2020, with all 2020 deferred amounts due in two equal installments, one at the end of 2021, the other at the end of 2022. Deferral is not available to employers receiving assistance through the Small Business Interruption Loan program. Payroll taxes that can be deferred include:
  - a. **Employer portion** of FICA taxes,
  - b. **Employer and employee portion** of Railroad retirement taxes and,
  - c. Half of SECA tax liability
3. **Employee Retention Credit** – A refundable payroll tax credit for 50 percent of wages paid by eligible employers is available during the COVID-19 crisis. The credit is available to organizations:
  - a. whose operations have been fully or partially suspended as result of a government order limiting commerce and,
  - b. whose operations have experienced a greater than 50 percent reduction in quarterly receipts, measured on a year-over-year basis.
4. **Eligible wages** – the following wages are eligible for this credit:
  - a. wages of employees who are furloughed or face reduced hours as a result of the organization's closure or economic hardship;
  - b. all employee wages for organizations that employ 100 or fewer full-time employees;
  - c. the credit is limited to the first \$10,000 in wages and compensation, including health benefits, paid to eligible employees

For more information regarding the CARES Act HB 748, please feel free to contact the following team members as we are currently working remotely.

#### Name

Francisco Rodríguez-Castro, President & CEO  
CPA Cesar Hernandez-Monagas, Principal  
Wanda Melendez, Executive Assistant

#### Email

[frc@birlingcapital.com](mailto:frc@birlingcapital.com)  
[chernandez@birlingcapital.com](mailto:chernandez@birlingcapital.com)  
[wm@birlingcapital.com](mailto:wm@birlingcapital.com)

#### Phone

787-645-8430  
787-642-2847  
787-207-3685