



VIA Email and Mail

March 21, 2020

Re: Coronavirus, Sick Pay and SBA Loan to Mitigate Economic Damages

Dear Client:

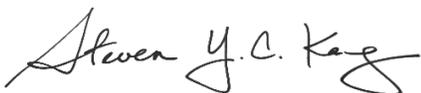
It is official. In IR 2020-58, issued on March 20, 2020, the IRS has extended the filing date to July 15, 2020, which has been adopted by CA Franchise Tax Board. Other states have already or are expected to soon follow suit.

1. We have a better picture as to how the federal and California governments will provide support to those who are economically injured by COVID 19 Crisis, a nationally declared emergency or disaster, although more details will come next week,
2. EDD will help with immediate unemployment benefit for both employees and self employed, up to \$450 per week, https://www.edd.ca.gov/about_edd/coronavirus-2019.htm
3. The federal government will be helping employers with 100% reimbursement of sick pay, health insurance and relief from employer portion of payroll tax on sick pay according to IR 2020-57, issued on March 20, 2020, <https://www.irs.gov/newsroom/treasury-irs-and-labor-announce-plan-to-implement-coronavirus-related-paid-leave-for-workers-and-tax-credits-for-small-and-midsize-businesses-to-swiftly-recover-the-cost-of-providing-coronavirus>. Although more details will be provided next week, here is what we know:
 - a. Employer: 100% reimbursement for the cost of sick pay for 80 hours (plus health insurance costs and employer payroll taxes on sick pay), through either as credit to employer payroll taxes or through accelerated payment from the IRS,
 - b. Employees: 80 hours sick pay, and
 - c. Self Employed: No details currently, but most likely through refunds from 2019 tax returns. If you have already filed 2019 tax returns, then you could file amended 2019 tax returns to receive refund,
4. To qualify for government assistance in a disaster, you must provide your tax returns, W-2s or 1099s. As far as we know, these government assistance payments are to all US taxpayers, even if not a US citizen,

5. Small Business Administration has made available SBA Disaster loan, as the lender of last resort. <https://disasterloan.sba.gov/ela/Information/ApplyOnline>. This means SBA expects you to exhaust your personal cash, brokerage accounts, excess assets, line of credit from commercial banks before coming to them. This is not a free money. It is a loan, which you must pay back with interest. SBA will only lend enough money for your business to weather this crisis, not to make you whole. Many bad characters may contact you, promoting services on SBA Disaster Loan, please be wary of them and know that you could do it yourself,
6. We have reduced the number of people working in our office to less than 10 to meet LA County Health Officer Order. As such, please do not come to our office, if at all possible. We encourage you to:
 - a. Mail your documents to us,
 - b. provide non-confidential information via email,
 - c. provide confidential information via Sharefile (web portal) or via fax at 562-865-2760, and
 - d. for our elderly clients, who do not use computer or internet, we ask that you call us ahead to drop off your documents. We ask that you do not stay but leave our office immediately after dropping off your documents. If we can finish our work while you wait in your car, please wait until we call you into our office again in contactless setting, maintaining social distance.
7. We will contact you via phone or Zoom Meeting, if an appointment time had been pre-arranged,
8. Our new office hours will be as follow:
Monday through Friday, 8:30AM to 5PM
Saturday and Sunday, closed
9. We will be providing your tax returns in the following order of preference:
 - a. Sharefile in PDF, or
 - b. Mail the returns to your home, or
 - c. Pick up your tax returns from our office in contactless setting, at the front desk.

Please stay healthy and be safe at home.

Sincerely,



Steven Y.C. Kang, CPA
Managing Partner
KSGA, LLP

