



5121 South Wheeling Avenue, Suite 200
Tulsa, OK 74105
Phone: 918-749-1040

Re: Business Guidance on Coronavirus (COVID-19)

As the coronavirus (COVID-19) continues to affect local communities and global economies, you may have concerns about your company's financial well-being as well as the well-being of your employees. Or you may be wondering about how recently passed legislation impacts you and your enterprise. We're providing a high-level summary of some of the key provisions impacting businesses and recommend discussing your particular circumstances with us in more detail.

Relief available

There are several recently enacted tax changes and new or expanded benefits that might be helpful to you.

Income tax filing and payment deadlines

- The IRS extended the April 15, 2020 filing and federal income tax payment deadline to July 15, 2020. However, we continue to work on filing returns as soon as possible.
- First quarter estimated tax payments usually due April 15, 2020 are now extended to July 15, 2020.
- OKLAHOMA– extended filing and payment of income tax return due April 15 -including first quarter 2020 estimated tax payments.

Employee retention and payroll tax credits

- A refundable tax credit has been created to assist employers in retaining employees. The credit is computed at 50% of qualified wages paid by eligible employers for up to \$10,000 paid to each employee between March 13, 2020 and Dec. 31, 2020.



- Subject to limitations and exceptions, employers of less than 500 employees are required to provide mandatory sick time and paid family leave but are eligible for payroll tax credits to offset the costs. Eligible self-employed individuals also qualify for the credits. Healthcare providers and emergency responders are excluded; employers with fewer than 50 employees can be exempted.
- Employers (including self-employed individuals) will be able to postpone the employer's share of Social Security taxes through the end of this year. The delayed payments are due in two equal payments, one due Dec. 31, 2021 and the second due Dec. 31, 2022.

Small Business Administration (SBA) loans

- Small businesses are eligible to apply for an Economic Injury Disaster Loan grant of up to \$10,000. Funds should be made available within three days of a successful application, and this grant will not have to be repaid.
- Small businesses may also apply for a loan through the Payroll Protection Program. This program is designed to help provide capital to cover the cost of retaining employees. If certain criteria are met, the loan can be forgiven.
- Other SBA programs are also available. For more guidance, see [SBA's Coronavirus Small Business Guidance and Loan Resources](#).

Other business provisions

- Unfortunately, many businesses are facing losses due to the economic impacts from the pandemic. For losses arising in tax years 2018, 2019 and 2020, a five-year carryback is now allowed to help businesses recoup some of their prior taxes.
- Interest expense deduction limitations are more taxpayer favorable. Under prior legislation, net interest expense was limited to 30% of adjusted taxable income. This limitation has been increased to 50% for tax years 2019 and 2020.
- Depreciation modifications were made in connection with qualified improvement property to allow for a faster write-off of these assets. Under prior legislation, this type of property was required to be depreciated over 39 years. Under the recent legislation, this depreciation period has been reduced to 15 years, and these assets will now be eligible for bonus depreciation which will allow for an immediate deduction of the entire cost of the property.



Protecting our clients and staff

There are limitations on our physical work environment due to COVID-19; however, we're working to minimize disruptions and impacts to you so that we can still offer the same level of superior service and support you have come to expect from our team.

We have implemented procedures to protect the health and safety of our staff, clients and community.

Our firm is open to serve you

Our firm remains open and available to serve you.

Our commitment to you

Whether you have tax or financial planning questions or need advice on ways to navigate the expanded benefits outlined above, we're here for you. If you have any questions or concerns, please don't hesitate to contact us at (918) 749-1040

During this unpredictable and challenging time, it's more important than ever to stay connected. We're in this together and our thoughts go out to all who have been impacted by this unprecedented situation.

Rest assured, we're here to help with your questions.

Morse & Co., PLLC