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Greetings!

Two long weeks ago we wrote about some hoped for assistance promised by the CARES Act. Unfortunately most small businesses and self-employed individuals have yet to receive any financial help to make it through this crisis.

The following is a recap of the various relief programs for small businesses and the self-employed that we have discussed over the past two weeks. They have all changed substantially since we first spoke of them.

### **Paycheck Protection Program (PPP)**

Despite the uncertainties we believe that most small businesses and self-employed individuals should consider applying for PPP as soon as possible. The banks are struggling to process the huge number of applications they received, most banks are restricting applications to existing customers, and there are indications that the program may run out of federal funding soon. [More information on the SBA website.](#)

### **Unemployment Insurance**

If you are self-employed but unable to work then Unemployment Insurance might become a big help. The CARES act made unemployment insurance available to the self-employed for the first time and introduced a \$600 per week federal addition to the state-funded amount. However, the program for the self-employed is not active as of April 10, 2020. At the moment we do not know how it will measure earnings, eligibility, or benefits. Nor do we know what happens if you are able to work but less than usual. We hope to have more news on this soon. Keep a sharp eye on the [Pandemic Unemployment Assistance](#) page on the CA EDD website. "The EDD is sorting through details from the U.S Department of Labor as to how they want this complex program to work..."

If you have employees who are unable to work then Unemployment Insurance may be the best option for them. Our understanding is that it is virtually impossible to get through to the EDD by phone. Employees may apply via the [UI Online](#) page of the EDD website. There are important labor law considerations. Help on workforce reductions and other matters from [Fortress and Fourish](#).

### **Economic Injury Disaster Loan (EIDL)**

Under current guidance we believe that most of our clients will be better off pursuing a PPP loan, rather than EIDL. This program initially looked like it would be valuable to small businesses in that it promised within three days of application an "advance" of \$10,000 which was not required to be repaid. The EIDL program has changed substantially in the past two weeks. Current guidance indicates that the advance is \$1,000 per employee up to \$10,000 total. And we have yet to hear of a business receiving an advance of any amount.

Even if the advance is not as useful as we thought it would be, the EIDL is still an offer of credit on favorable terms at a time when conventional sources of credit are scarce. The EIDL could prove valuable to businesses for whom the PPP is unavailable or if the amount is inadequate. [Application on the SBA Webpage.](#)

### **Emergency Paid Sick Leave (EPSL) and Emergency Paid Family Leave (EPFL)**

The rules on these programs have changed repeatedly. For the self-employed these programs will not provide cash assistance in the near term. If you are eligible you might be able to reduce the taxes you owe April 15, 2021. Eligibility for EPSL is restricted to individuals sick with or quarantined due to COVID-19. For purposes of this benefit, a shelter-in-place order is not considered to be a quarantine. EPFL may be available if you are unable to work because you are required to care for a child whose school is closed.

If you have affected employees these programs **may be required** and might be useful. You need to become familiar with the rules if you are an employer. [COVID-19 page from the US Department of Labor.](#)

There is a tax credit intended to offset the cost to an employer of paying EPSL or EPFL benefits to your employees. You claim the credits by way of your federal form 941 quarterly payroll tax return. The

payments you use to claim these tax credits may not also be used to claim forgiveness under PPP.

### **In Conclusion**

Stay tuned in! These programs keep evolving. We will continue to write updates. Other good sources may be your trade association, chamber of commerce, and news articles. Also let us know if you actually get funding under any of these programs or if there are other relief subjects you would like for us to cover.

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And the crew at  
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