

A Business Newsletter from Bhatia & Co.
Certified Public Accountants

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[CARES ACT provides economic relief and tax benefit to individuals and businesses](#)

A massive \$2 trillion economic recovery plan, the biggest in US history, will give advance tax rebates for the 2020 tax year of up to \$1,200 per individual (or \$2,400 for joint return filers), plus \$500 per child to eligible taxpayers.

Under the "Coronavirus Aid, Relief, and Economic Security Act" (CARES Act), there are a number of reliefs offered to individual taxpayers as well as businesses. Besides the recovery rebate, individuals have been offered extended time to pay taxes and file Tax returns, allowed Tax favored withdrawals from Retirement Plans, given waiver of Required Minimum Distribution (RMD) for retirement accounts, given allowance of additional charitable contribution rebate, including for those who do not itemize, to name a few.

For businesses, CARES Act brings back carry back of losses up to 5 years, suspends 'excess business loss' limitation, eases business interest deduction limitation, provides expedited refund for remaining AMT credits, employee retention credit and deduction for payment of employee's student loan debt among others. [More](#)

[Paycheck Protection Program \(PPP\) and Economic Injury Disaster Loan \(EIDL\) Emergency advance for businesses](#)

CARES Act has carved out two programs through the SBA to provide urgent financial relief to small businesses.

The Paycheck Protection Program (PPP), is a loan designed to provide access to cash so that businesses can keep paying their employees and other expenses such as health insurance premiums, rent or mortgage payments and utilities. This program is for any small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), and certain nonprofit entities affected by coronavirus/COVID-19.

As per the SBA, the loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities. Loan payments will also be deferred for six months. This program is mainly for small businesses with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), and certain nonprofit entities affected by COVID-19.

The SBA's Economic Injury Disaster Loan (EIDL) provides vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing as a result of the COVID-19 pandemic. The Small Business Administration's (SBA) EIDL- disaster loans are the primary form of Federal assistance provided for the repair and rebuilding of non-farm, private sector disaster losses. The Economic Injury Disaster Loan Program (EIDL) can provide financial assistance to small businesses or private, non-profit organizations that suffer substantial economic injury as a result of the declared disaster. Small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an Economic Injury Disaster Loan advance of up to \$10,000. [More](#)

[California Franchise Tax Board's relief for all tax payers](#)

Sacramento – The Franchise Tax Board (FTB) today announced updated special tax

[CARES Act allows additional \\$600 per week as unemployment compensation](#)

The CARES Act provides for a temporary emergency increase in unemployment compensation benefits, referred to as Federal Pandemic Unemployment Compensation (FPUC), and includes funding to states for the administration of the program. This program provides eligible individuals with \$600 per week in addition to the weekly benefit amount they receive from certain other Unemployment Compensation programs.

The programs and provisions in the CARES Act operate in tandem with the fundamental eligibility requirements of the Federal-State Unemployment Insurance programs which must be adhered to. In addition, some of the CARES Act programs include new eligibility requirements which states will need to apply. These requirements include that individuals are only entitled to benefits if they are no longer working through no fault of their own and that individuals must be able and available to work.

Under Section 2104(e) of the CARES Act, FPUC is payable in a state for weeks of unemployment beginning after the date on which the state enters into an agreement with the Department and ending with weeks of unemployment ending on or before July 31, 2020. [More](#)

[IRS warning about coronavirus-related scams: schemes tied to economic impact payments](#)

WASHINGTON — The Internal Revenue Service today urged taxpayers to be on the lookout for a surge of calls and email phishing attempts about the Coronavirus, or COVID-19. These contacts can lead to tax-related fraud and identity theft.

"We urge people to take extra care during this period. The IRS isn't going to call you asking to verify or provide your financial information so you can get an economic impact payment or your refund faster," said IRS Commissioner Chuck Rettig. "That also applies to surprise emails that appear to be coming from the IRS.

Remember, don't open them or click on attachments or links. Go to IRS.gov for the most up-to-date information." [More](#)

[USCIS offers very limited flexibility for responding to certain USCIS Requests](#)

In response to the coronavirus pandemic, the U.S. Citizenship and Immigration Services announced that it will adopt flexibility in respect to an RFE, NOID, NOIR, NOIT or appealable decision within AAO jurisdiction and the issuance date listed on the request, notice or decision is between March 1, 2020 and May 1, 2020, inclusive by allowing them an additional 60 days to respond.

The USCIS has, however, provided no relief to RFE, NOID, NOIR, or NOIT received before March 1, 2020 and which were due for reply during March or April 2020 when most of the nation has been under stay-at-home order. [More](#)

[California Disaster Relief Loan Guarantee Program](#)

The Small Business Finance Center (SBFC) has partnered with Financial Development Corporations to provide loan guarantees and direct loans for small businesses that experience capital access barriers.

Eligible applicants for SBFC guaranteed loans include Small Businesses located in California with 1-750 employees that have been negatively impacted or experienced

relief for all California taxpayers due to the COVID-19 pandemic.

FTB is postponing until July 15 the filing and payment deadlines for all individuals and business entities for:

2019 tax returns
2019 tax return payments
2020 1st and 2nd quarter estimate payments
2020 LLC taxes and fees
2020 Non-wage withholding payments

"The COVID-19 pandemic is disrupting life for people and businesses statewide," said State Controller Betty T. Yee, who serves as chair of FTB. "We are further extending tax filing deadlines for all Californians to July 15. Hopefully, this small measure of relief will help allow people to focus on their health and safety during these challenging times." [More](#)

[California Employment Development Department relief](#)

Employers statewide directly affected by the coronavirus crisis may request up to a 60-day extension of time from the Employment Development Department (EDD) to file their state payroll reports and/or deposit payroll taxes without penalty or interest.

A written request for extension must be received within 60 days from the original delinquent date of the payment or return.

If an employer had to close your business to prevent or manage the effects of the COVID-19 pandemic, Governor Newsom's executive order temporarily suspends the 60-day notice requirement for employers who give written notice to employees and meet other requirements. [More](#)

disruption by COVID-19 as well as eligible Nonprofits. Loan proceeds can be used for business continuance or to cure "economic injury" as a result of the COVID-19 pandemic. [More](#)

India

[New criteria for NRI status and how income will be taxed in India effective from FY2020-21](#)

Among the global pandemic crisis and the expected economic turmoil, the Finance Bill 2020 has been passed by the Parliament with some major relaxations on March 23, 2020. [More](#)

[US to airlift 22,000 Americans stranded overseas; many in India](#)

The US is working "aggressively" to airlift around 22,000 Americans stranded overseas, many of them in India, due to the coronavirus pandemic, a senior official has said. [More](#)

Bhatia & Co, Inc., Certified Public Accountants, is a diversified Full service financial and business services firm concentrating on providing services to domestic and international organizations, with special focus on international transactions and tax planning. Our Team of highly skilled and diversified range of finance and business professionals provide services in areas of business and individual tax, audit & review, international tax planning, incorporation and corporate compliance, accounting, outsourcing, business consulting, financial and retirement planning, immigration consulting and litigation support to a diverse range of clients.. We are located in the heart of Silicon Valley in Santa Clara, CA for the last 15+ years as well as in Pleasanton, CA and have offices in New Delhi for 30+ years.

Our recent engagements in the US and India include cross border tax planning and transactions, M&A, corporate structuring, and complex Tax audits and representation including recent overseas disclosure programs (OVDP/OVDI/ Streamlined disclosure programs). The clientele include startups, multinational companies, government organizations, Public Sector Banks, and Auto dealerships.

Bhatia & Co. is headed by Neeraj Bhatia, who is an accomplished accounting professional with more than 30 years' expertise in international and domestic tax planning and compliance for startups and multinational entities. Neeraj is a licensed CPA in California, New York and Colorado and a CA in India. He also has a LL.M. in International Taxation from the US, Costs and Works (Management) Accountancy, and a Bachelor (Honors) degree in Commerce from India.

During his academic years he has received several awards and scholarships for being the top ranker nationally. Recently in January, 2018 Neeraj Bhatia was awarded the prestigious Hind Rattan Award (Jewel of India award) on the occasion of Pravasi Bhartiya Diwas by the NRI Welfare Society for keeping Flag of India high abroad at their 37th International Congress of NRIs held in Bangkok, Thailand.

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