

CLIENT ALERT

Top 5 Tax Benefits to Battle COVID-19 Impacts

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The past two weeks have seen many important tax changes coming out of Washington. Crowell & Moring, LLP has been following these developments carefully and issuing Tax Alerts to keep our clients and friends informed of changes in the tax laws and at the IRS. In this Tax Alert, we highlight our “Top Five” tax developments, which businesses should be considering as they weather the COVID-19 crisis. We will be discussing these issues in our upcoming webinar on Friday, April 3.

- 1. Payroll Tax Credits & Payments** – We will focus on the Payroll Deposit provisions and the Employee Retention Credit. We have summarized these provisions here and the IRS already has issued some guidance on these provisions, as well as a form to facilitate advance payment. Click here, here, and here for the related IRS FAQs.
- 2. The Corporate Tax Changes** – We will review the various changes and highlight how the modifications to the rules relating to NOL carrybacks and the interest limitation deductions interact with the international tax provisions of the TCJA such as the repatriation provisions, BEAT, FDII, and GILTI. Click here to read a summary of the corporate tax changes.
- 3. IRS Procedures Regarding Audits and Enforcement** – We will discuss recent IRS announcements regarding filing extensions, IDRs, and signatures as well as tips for managing tax audits during the COVID-19 shutdown as summarized here. Congress appropriated \$250 million to the IRS to cover the extended filing season and implementation of COVID-19 changes.
- 4. The Implications of Remote Work** – We will examine the potential federal tax issues related to effectively connected income and permanent establishments as well as the potential state tax issues relating to how to properly allocate employee income.
- 5. The Next Wave** – We will offer our thoughts on the possible additional tax changes in future legislation and the potential IRS administrative action in response to the COVID-19 crisis, including assistance to specific industries, such as traditional and alternative energy and hospitality.

As noted above, Crowell & Moring, LLP’s Tax Group will be presenting a Webinar on April 3 at 1:00 EDT to discuss the key provisions of the COVID-19 legislation affecting businesses, changes to IRS audit and collection procedures, and additional tax changes that may be in the next wave of legislation. You may register for the Webinar by clicking here.

We anticipate potential tax changes in the next wave of legislation aimed at inoculating the economy from COVID-19 and are monitoring stimulus programs being considered. We will provide periodic updates on our Coronavirus Resource Center.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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