COVID-19: Emergency Resources for Businesses

For up to the minute updates from the Department of Commerce and Economic Opportunity, please follow us on our social channels:

State of Illinois COVID-19 Response

Stay up-to-date on all things Illinois COVID-19. Protecting the health, safety, and wellbeing of Illinoisans is Governor Pritzker’s top priority. The administration continues to work closely with local health departments, county officials and federal partners to put systems in place to respond to COVID-19. This website will provide the latest news releases related to coronavirus, resources, FAQs, video archives of press conferences and tips from leading experts to keep you and your family safe.

Emergency Resources Available to Businesses and Communities

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Aid to Small Businesses

Small Business Administration (SBA) Disaster Loans

The State of Illinois has received its statewide Economic Injury Declaration which means small businesses in all 102 Illinois counties may be eligible for low-interest, economic injury disaster loans up to $2M per business. For more information, click here: https://disasterloan.sba.gov/ela/

Economic Injury Disaster Loans Advance Grants

In addition to existing loans available under the SBA for Economic Injury Disaster Loans (EIDL), advance grants up to $10,000 can be made to provide immediate relief for small business operating costs for entities that apply for an Economic Injury Disaster Loan. Funds will be made within three days of a successful application.

Who's eligible?

Small businesses under 500 employees (including a cooperative, Employee Stock Ownership Plan or a tribal small business), private nonprofit organizations, sole proprietorships (with or without employees), independent contractors, and small agricultural cooperatives.

When can I apply?

The SBA now has the Advance in place.

How to apply?

Applicants apply directly to the SBA. Interested borrowers can start the application process at the SBA's website. The SBA notes that those who applied prior to the launch of this program on March 31st, 2020 will have to reapply through the streamlined application to be eligible for the advance. Those businesses should receive notification that is the case via email, phone, and mail to advise them of that requirement.

Where can I find more information?

The SBA COVID-19 response website continues to be updated as more information becomes available. See Economic Injury Disaster Loans and Loan Advance.

*Please note: businesses CANNOT receive an economic disaster loan and a Paycheck Protection Program loan for the same purpose. If you take advantage of an emergency EIDL grant advance up to $10,000, that amount is subtracted from the amount forgiven up to the Paycheck Protection loan. Businesses can also refinance an EIDL into the Paycheck Protection loan for loan forgiveness purposes. Remaining portions of the EIDL, for purposes other than those laid out in loan forgiveness for a Paycheck Protection loan, remain a loan.*

Is your Business affected by the “Stay at Home Executive Order”?

Not sure if you are an Essential Business?

Review this essential check list for more information:

Link: https://www2.illinois.gov/dceo/Documents/Essential%20Business%20FAQ%20-%204.1.20.pdf
Paycheck Protection Program

The SBA will provide up to $349 billion in loans to eligible entities to help small businesses and non-profits maintain their existing workforce and pay for expenses like rent, payroll, mortgage interest and utilities.

Importantly, loans are subject to forgiveness under certain circumstances, such as for employers who retain or rehire laid off employees. The SBA will forgive the portion of the loan proceeds that are used to cover the 8 weeks following the date of loan origination of payroll costs, rent, utilities and mortgage interest. The SBA advises that, due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.) The loans are 100% federally guaranteed under a new subsection of Section 7(a) of the Small Business Act.

Who is eligible?

All businesses, eligible entities include 501(c)(3) nonprofits, 501(c)(9) veterans’ organizations, Tribal concerns, sole proprietorships, self-employed individuals, and independent contractors, with 500 or fewer employees, or no greater than the number of employees set by the SBA as the size standard for certain industries. Additional eligibility is available.

Loan Terms

For the portion of the loan not forgiven, the balance will have an interest rate of 0.5%, maturity of two years, first loan payment deferment for six months. No collateral or personal guarantee is required nor is the borrower or lender required to pay any fees to the SBA.

When can I apply?

• Starting April 3, 2020, small businesses and sole proprietorships can apply for and receive loans to cover their payroll and other expenses.
• Starting April 10, 2020 independent contractors and self-employed individuals can apply for and receive loans to cover their payroll and other expenses.

How do I apply?

Borrowers may file applications directly with a registered SBA lender or federal insured depository institution, federally insured credit union, and Farm Credit System that is participating. The U.S. Treasury released the application on March 31, 2020.

You can call your local bank or find SBA-approved lenders in your area through SBA's online Lender Match tool. You can also refer to this list of active lenders in Illinois. Your local Small Business Development Center or Women's Business Center can also provide assistance and guide you to lenders.

Where can I find more information?

• Please see the U.S. Treasury’s Assistance for Small Businesses page. It includes detailed information for lenders, borrowers, a top-line overview of the program, and the application for borrowers.
• SBA Website: The SBA COVID-19 response website continues to be updated as more information becomes available.
**Subsidies for Current Loan Payments**

The SBA will pay the principal and interest that is owed on certain existing loans for a period of six months.

**Who is eligible?**

Current and future SBA 7(a) loan holders. Future loan holders must have a loan issued prior to September 27, 2020.

**Where can I get more information?**

The SBA will release more information soon. You can also check in with your current SBA loan lender. The [SBA COVID-19 response website](#) also continues to be updated as more information becomes available. See SBA Debt Relief.

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**Illinois Small Business Emergency Loan Fund**

DCEO and the Illinois Department of Financial and Professional Regulation (IDFPR) are establishing the Illinois Small Business Emergency Loan Fund to offer small businesses low interest loans of up to $50,000. Businesses located outside of the City of Chicago with fewer than 50 workers and less than $3 million in revenue in 2019 will be eligible to apply. Successful applicants will owe nothing for six months and will then begin making fixed payments at a below market interest rate for the remainder of a five-year loan term. [For more information, click here.](#)

**Who is eligible?**

Small businesses located outside of the City of Chicago with fewer than 50 workers and less than $3 million in revenue in 2019 can apply. Small businesses within the City of Chicago can apply to a similar loan program [here](#).

**What can loan funds be used for?**

Loans can be used to support working capital.

**How do businesses apply?**

[ Illinois Small Business Emergency Loan Fund ](#)

Businesses will be able to complete an interest form at the link above.

**How much money is available?**

Businesses can receive a low interest loan of up to $50,000 with a 5 year repayment period with no payments due for the first six months.

**How soon will businesses receive funds?**

Eligible businesses will be invited to submit a full application beginning on March 31. Once submitted, we will strive to make a loan decision within 10 days, and make funds available within two days of receiving bank information from a business.
Downstate Small Business Stabilization Program

To support small businesses in downstate and rural counties across Illinois, DCEO is repurposing $20 million in CDBG funds to stand up the Downstate Small Business Stabilization Program. This Fund will offer small businesses of up to 50 employees the opportunity to partner with their local governments to obtain grants of up to $25,000 in working capital. These grants will be offered on a rolling basis.

Who is eligible?

Local governments can apply on behalf of businesses with 50 employees or less. Only cities, villages, and counties that are not a HUD direct entitlement community or located in an urban county that receives “entitlement” funds are eligible to apply.

Communities receiving an annual allocation directly from HUD on an entitlement (formula) basis are not eligible to apply for the State’s CDBG funding. Businesses located in the following counties and municipalities are therefore NOT ELIGIBLE for this program.

<table>
<thead>
<tr>
<th>Urban Counties</th>
<th>Metropolitan Cities</th>
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<tbody>
<tr>
<td>Cook County</td>
<td>Arlington Heights</td>
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<td>Madison County</td>
<td>Aurora</td>
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<td>DuPage County</td>
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<td>Cicero</td>
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<td>Will County</td>
<td>Danville</td>
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What can grants be used for?

Grants can be used to support working capital.

How do businesses apply?

Businesses in the eligible areas should work with their local governments to submit applications.

How much money is available?

Grants of up to $25,000 per business will be available.

How soon will businesses receive funds?

DCEO’s goal is to execute grants within 30 days of application receipt, after which funds will be accessible.
Hospitality Emergency Grant Program (grant application closed)

To help hospitality businesses make ends meet in the midst of the COVID-19 pandemic, DCEO launched the Hospitality Emergency Grant Program with $14 million drawn from funds originally budgeted for job training, tourism promotion, and other purposes. Grant funds will support working capital like payroll and rent, as well as job training, retraining, and technology to support shifts in operations, like increased pick-up and delivery. Bars and restaurants that generated between $500K and $1M in revenue in 2019 are eligible for up to $25,000, and bars and restaurants that generated less than $500K in revenue in 2019 are eligible for up to $10,000. Hotels that generated less than $8M in revenue in 2019 are eligible for up to $50,000.

The Hospitality Emergency Grant Program application is now closed. Businesses that are selected to receive the grant will be notified by Accion, the program administrator, on April 4.
Aid to Midsize Businesses

Emergency Relief Program

The U.S. Treasury is authorized to provide loans, loan guarantees, and other investments to businesses, states, and municipalities impacted by COVID-19. These loans will not be forgiven. $454 billion will be available from the U.S. Treasury to provide financial assistance to programs or facilities established by the Federal Reserve. The CARES Act further clarified that the U.S. Treasury and Federal Reserve establish a special fund dedicated to midsize businesses and nonprofits with employees between 500 and 10,000 employees. The U.S. Treasury will create the rules and the Federal Reserve will create and operate the programs based on Treasury guidelines.

The U.S. Treasury and Federal Reserve have latitude to develop these programs, such as setting additional terms for eligible borrowers and required collateral. There are restrictions and criteria in place on businesses as enacted by the CARES Act.

Who is eligible?

Nonprofits and mid-sized businesses between 500 and 10,000 employees, that are domiciled in the U.S., incurred direct or indirect losses due to COVID that jeopardizes continued operations, have significant operations in and majority of its employees based in the U.S., and does not qualify for other adequate relief provided under the Act.

How will this work?

The U.S. Treasury will provide capital to the Federal Reserve to implement a program that provides financing to banks and other lenders to make direct loans to eligible businesses and nonprofits with 500-10,000 employees. The interest rate on those loans would be capped at 2%, with no payments due for the first six months.

What are the known conditions?

In addition to further criteria that will be developed by the U.S. Treasury, borrowers will be required to certify to a list of conditions which include: retaining at least 90% of current workforce until September 30, 2020, at full compensation and benefits; cannot engage in stock buybacks, unless contractually obligated, or pay dividends while the loan is outstanding; no outsourcing or offshoring for two years after completing repayment; and must remain neutral in any union organization effort and not breach a collective bargaining agreement for two years after repayment.

Where can I find more information?

More information will become available from the U.S. Treasury. Funding for loans to midsize businesses and nonprofits will be made available to banks and other lenders that make direct loans to these entities. Interested borrowers could also reach out to their bank for more information as it becomes available.
Aid to Larger Businesses

Who is eligible?
The U.S. Treasury will clarify further eligibility terms for larger businesses. Under the bill, the business is required to be a U.S. business, organized under state or federal law that have significant operations and a majority of their employees in the U.S. The businesses must certify certain conditions and be subject to restrictions.

How will this work?
Under this program, the U.S. Treasury will provide the capital for programs established by the Federal Reserve. The Federal Reserve will then be the mechanism to support lending to eligible businesses, states and municipalities by making loans and other mechanisms.

What are the known conditions and restrictions?
In addition to further criteria that will be developed by the U.S. Treasury, the CARES Act established additional conditions and restrictions. Borrowers and their affiliates cannot engage in stock buybacks, unless contractually obligated, or pay dividends while the loan is outstanding.

Borrowers must, until September 30, 2020, maintain employment levels as of March 24, 2020, to the extent practicable, and retain no less than 90 percent of its employees as of that date.

There are also limits on employee compensation that no employee whose total compensation (salary, bonuses, awards of stock and other benefits) exceeds $425,000 in 2019 (other than an employee whose compensation is set through a collective bargaining agreement). This provision applies for two years.

Where can I get more information?
More information will become available from the U.S. Treasury soon.
Aid to All Businesses

The CARES Act makes a series of changes to the tax code that may benefit your business.

Where can I get more information for the below tax credits?

Interested businesses should consult a tax expert or reference the IRS for updated guidance. The IRS website will be updated as more information becomes available. The below is meant to provide an overview of changes made.

Employee Retention Credit

The U.S. Treasury and IRS launched the Employee Retention Credit on March 31, 2020. Eligible entities can receive a refundable payroll tax credit for 50% of up to $10,000 in qualified wages for retaining idled workers on their payrolls during the COVID pandemic.

Qualified wages are based on the average number of a business's employees in 2019. If the employer had more than 100 employees on average in 2019, then the credit is allowed only for wages paid to employees who did not work during the calendar quarter. For eligible employers with under 100 employees, all employee wages qualify for the credit. The credit is capped at the first $10,000 of compensation, including health benefits. The provision is effective for wages paid or incurred from March 12, 2020 to January 1, 2021.

Who is eligible?

Employers regardless of size and tax-exempt organizations under 501(c) of the IRS, whose operations were fully or partially suspended due to a government shut-down order or gross receipts declined by more than 50% compared to the same quarter the previous year.

Small businesses who take a Paycheck Protection Program loan are not eligible for this tax credit.

How do I receive the credit?

See FAQ from the U.S. Treasury under “I am an eligible employer. How do I receive my credit?” Interested businesses should continue to reference the IRS for updated guidance.

Delay Payment of Employer Payroll Taxes

All employers and self-employed individuals may defer the 6.2% employer share of Social Security taxes for two years. Fifty percent of the deferred payroll taxes are due on December 31, 2021, and the remaining amounts are due on December 31, 2022.

Additional Tax Changes

• **Business Expense Deduction Changes:** Business Expense Deduction Limits are increased from 30% to 50% for 2019 and 2020. Additional rules apply to partnerships.
• **Retail Tax:** Retailers, restaurateurs and hotels will be able to immediately deduct qualified property improvements and amend previous year filings.
• **Relaxes Net Operating Loss Limits:** Businesses will be allowed to carry net operating losses arising in the 2018, 2019, and 2020 tax years back five years. The taxable income limit is temporarily removed to allow a NOL to fully offset income for those years. Additional rules apply for life insurance companies.
• **Alternative Minimum Tax:** Corporations are able to accelerate their ability to recover the AMT credits from previous years and claim any resulting refund.
Other Technical Assistance, Information & Relief

Business Licenses

- Illinois Department of Financial and Professional Regulation (IDFPR) Licensing (IDFPR) IDFPR is providing relief from professional licensing requirements, including extensions for licenses due March through July and waivers from certain continuing education requirements.


Tax Relief

- The IRS has released an FAQ to help small and midsize businesses navigate Paid Sick and Family Leave Tax Credits.

- The Illinois Department of Revenue has provided contact info for taxpayer resources while taxpayer assistance offices and phone lines are shut down.

  Link: https://www2.illinois.gov/rev/Pages/Taxpayer-Resources-during-COVID-19-%28Coronavirus%29-Outbreak.aspx

- Penalties and interest for late payment of sales taxes owed from February through April will be waived for eating and drinking establishments that incurred a sales tax responsibility of less than $75,000 in CY2019.

- IDOR has provided a 90-day extension to certain sales tax exemption (“E”) numbers that are currently pending renewal. More information here.

Featured: Relief from Penalties for Late Sales Tax Payments COVID-19.pdf

Unemployment Insurance

IDES has assembled FAQs about Unemployment Insurance and the COVID emergency

- Workers laid off due to COVID qualify for UI so long as they are prepared to return to work.

- Workers sent home due to COVID illness or quarantine, or are caring for an affected family member, are also eligible for UI coverage.

- IDES is waiving the standard 1 week wait to be eligible for UI coverage.

  Link: https://www2.illinois.gov/ides/Pages/COVID-19-and-Unemployment-Benefits.aspx
Contact Information for DCEO Offices

**Small Business Development Center Program**
- Provides technical assistance and support for Illinois' small businesses
  - Link: [https://www2.illinois.gov/dceo/SmallBizAssistance/BeginHere/pages/sbdc.aspx](https://www2.illinois.gov/dceo/SmallBizAssistance/BeginHere/pages/sbdc.aspx)

**Regional Economic Development**
- Provides technical assistance and outreach to businesses across Illinois:
  - Email: TeamREDInquiries@Illinois.gov

**Minority Economic Empowerment**
- Promotes opportunities for all minority business communities including women, veterans, or persons with disabilities across the state through targeted programs, resources and advocates
  - CEO.OMEE@illinois.gov

**Tourism**
- Promotes tourism:
  - CEO.Tourism@illinois.gov

**Employment & Training**
- Provides workforce skills training to assist workers and companies:
  - [https://www.illinoisworknet.com/](https://www.illinoisworknet.com/)

**Film**
- Promotes and supports the film industry in Illinois:
  - CEO.film@illinois.gov

For general business inquiries: 1-800-252-2923 or CEO.support@illinois.gov