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Senator Ram Villivalam

*Illinois State Senate
8th Legislative District*

As of April 3, 2020, this is a comprehensive document of resources compiled by State Senator Ram Villivalam to help businesses understand the resources that are available as they deal with the impact of the COVID-19 pandemic.

Loans/Grants

Federal Small Business Administration

[SBA's Paycheck Protection Program -- See fact sheet here](#)

Eligibility: Small businesses up to 500 employees, non-profits, independent contractors and self-employed. Churches are eligible but only to cover payroll of an associated business like a thrift store. 501(c)6s are not eligible. Affiliation rules are waived for franchises.

Loan Size: Maximum loan is \$10 million.

If you were in business between 2/15/19-6/30/19, your maximum loan is 250% of your average monthly payroll costs during that period. If you employ seasonal workers, you can opt to choose March 1 instead of Feb 15.

If you were not in business between 2/15/19-6/30/19, your maximum loan is 250% of your average monthly payroll costs between January 1, 2020 and February 29, 2020.

Term and interest: Maximum term is 10 years with a maximum interest rate of 4% with zero loan fees, zero payment fee.

Forgivability: Forgiveness of up to 8 weeks of payroll based on employee retention and salary levels. The amount of the loan forgiven at the end of the year will be determined by how many employees were retained on the company's payroll, up to 100% for full retention. The forgiveness amount is the sum of: payroll costs, payment of interest on any covered mortgage obligations, any payment on any covered rent obligations, and any covered utility payment. Payroll excludes compensation over \$100,000.

How are loans made: The SBA's network for 7(a) lenders will be used to process these loans. [List of lenders here.](#)

Does this work with other SBA loans: Borrowers may apply for PPP loans and other SBA financial assistance including EIDLs.

How to apply: SBA 7(a) lenders can begin to process loans on Friday, April 3. Here is a [sample application](#).

Starting April 3, 2020, **small businesses and sole proprietorships** can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.

Starting April 10, 2020, **independent contractors and self-employed individuals** can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.

Other regulated lenders will be available to make these loans as soon as they are approved and enrolled in the program.

Small Business Administration Disaster Assistance Loans

A disaster proclamation has been authorized through the Small Business Administration

Amount: Loans of up to \$2 million are now available to small businesses

Eligibility

- The following documentation is required to apply: [SBA Form 5](#), Last year's business tax return, [IRS Form 4506-T](#) (allowing the SBA to pull your personal tax return), [Schedule of Liabilities](#), Personal financial form

Use: These loans can be used to pay fixed debts, payroll, accounts payable, and other bills that can't be paid because of the disaster's impact

Rates: 3.75% for small businesses without credit elsewhere (small businesses with credit elsewhere are not eligible); 2.75% for non profits

Repayment: Loans with long-term repayments are available up to 30 years

Application assistance

The Illinois office of the Small Business Administration is hosting frequent webinars to train small business owners and non-profits looking to apply for assistance

Webinars cover: program eligibility, use of proceeds, terms, filing requirements, and additional small business resources

Contacts at DCEO who can help with applications

Manuel Lopez - manuel.lopez@illinois.gov, 773-502-7506

Michelle Michals - michelle.michals@illinois.gov, 312-636-4555

Joseph McKeown - joseph.mckeown@illinois.gov, 312-497-1823

Click [HERE](#) for more information on disaster assistance loans

Click [HERE](#) to apply

Emergency Economic Injury Grants

What this program does: Provides an emergency advance of up to \$10,000 within three days of applying for an SBA Economic Injury Disaster Loan.

Availability: Grants are available from January 31, 2020 to December 31, 2020, and are backdated for those who have already applied for EIDLs.

Can I receive a PPP loan? Any amount you receive under the Emergency Economic Injury Grant Program will be subtracted from the amount forgiven in the PPP.

How to apply? <https://disasterloan.sba.gov/ela>

Small Business Debt Relief Program

What this program does: Small businesses with non-disaster SBA loans can receive immediate assistance. Under this program, the SBA will cover all loan payments, including principle, interest, and fees, for six months. This will also be available to new borrowers who take out loans within six months of March 27, 2020.

Eligible Debt: 7(a) loans not made under the Paycheck Protection Program (PPP), 504 loans, and microloans. Disaster loans are not eligible.

Borrowers under this program can also take out PPP debt.

7(a) loans: These are affordable loans of up to \$5 million for borrowers who lack credit elsewhere and need short-term or long-term working capital, or financing for various needs.

504 loans: Provide up to \$5.5 million to approved small businesses with long-term, fixed-rate financing used to acquire fixed assets for expansion or modernization. This is best for real estate, buildings, and machinery.

Microloans: Loans up to \$50,000 for small businesses and certain non-profit childcare centers to start up and expand. The average microloan is \$13,000. These loans are delivered through mission-based lenders who are also able to provide business counseling services.

State of Illinois

[DCEO's Emergency Small Business Grants and Loans Assistance](#)

[Illinois Small Business Emergency Loan Fund](#)

Eligibility: Small businesses located outside of the City of Chicago with fewer than 50 workers and less than \$3 million in revenue in 2019. This is not for the City of Chicago due to the [Resiliency Fund](#).

What funds can be used for: Loans can be used to support working capital, and at least 50% of loan proceeds should be applied toward payroll or other eligible compensation, with a commitment to hire or retain at least 50% of a business workforce for six months. Eligible compensation includes salaries, wages, tips, paid leave, and group healthcare benefits. Eligible uses will exclude compensation over \$100,000.

How much money is available? Businesses can receive up to 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 April 1. 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.

How to apply: Businesses will be able to complete an interest form [on this web page](#) on Friday, March 27, 2020.

[Downstate Small Business Stabilization Program](#)

Eligibility: Small businesses of 50 employees or less. Communities receiving an annual allocation directly from HUD on an entitlement (formula) basis are not eligible to apply for the State's CDBG funding, and businesses located within the entitlement areas are not eligible for assistance.

How to apply: All applications must be made through a unit of local government (city, village or county) following the Program Guidebook and Application requirements. The Guidebook and related materials [can be found here](#).

Grant amount: Businesses may receive funding equating to 60 days of verifiable working capital up to a maximum of \$25,000.

[Illinois Treasurer's Small Business COVID-19 Relief Program](#)

The program is an impact investment loan program under which the State Treasurer would make up to \$250 million in deposits available to financial institutions throughout the state, at near-zero rates, to assist Illinois small business and nonprofits negatively affected by the COVID-19 pandemic.

The Treasurer's Office would partner with approved financial institutions to provide loans -- either lower rate loans, or loans to a business or non-profit that would not otherwise qualify -- to Illinois small businesses impacted by the COVID-19 pandemic.

Deposited funds facilitate affordable loans (not to exceed 4.75%) to small businesses and nonprofits to be used to provide bridge funding, pay fixed debts, payroll, accounts payable and other bills.

[List of participating depositories.](#)

City of Chicago

Chicago Small Business Resiliency Fund

Pamphlet

The City is establishing a \$100 million Chicago Small Business Resiliency Fund, which will help to provide small businesses with emergency cash flow during this immediate health crisis.

Funds will be provided to eligible businesses as low-interest loans.

Loan Terms:

Loan Amount: 3 months average monthly revenues before the COVID-19 outbreak, up to \$50,000

Interest Rate: The fixed annual interest rate on the loan will be 1% for the first 18 months. After 18 months, the rate will increase to 5.75% for the duration of the loan

Repayment: For months 1 – 6: \$10 monthly payment of principal for account maintenance purposes; interest accrues but is not payable. For months 7 – 12: Interest-only monthly payments. Month 13 and thereafter: Monthly principal and interest payments

Term: Up to 5 years (60 months)

Proceeds: Proceeds are required to be used for working capital with at least 50% of proceeds being applied toward payroll. The applicant must also make a commitment to maintain its workforce at 50% or more of pre-COVID-19 levels for at least 6 months

Eligibility :

Employ fewer than 50 employees, 50% of whom are Chicago residents

Have realized gross annual revenues of less than \$3 million pre-COVID-19

Have suffered a revenue decrease of at least 25% due to COVID-19

Be located in the City of Chicago and have been in business for at least 1 year as of the date of application

To apply you will need:

A valid business address within the City of Chicago

A valid City business license, if applicable

Business bank statements from October 2019 to February 2020

The most recently filed tax return

A photo ID (may include CityKey, consular ID, passport, or other forms) of the loan applicant business owner

The applicant business owner will be required to provide a personal guarantee and be subject to a credit check (Note: if two or more owners have equal ownership of the business, then each owner with that ownership share is subject to the credit check and personal guarantee)

Applications can be found [here](#).

Tax Relief

[Sales tax deferment](#)

Gov. Pritzker directed the Department of Revenue to defer sales tax payments for more than 24,000 small- and medium-sized bars and restaurants, accounting for nearly 80% of all such entities statewide.

In order to qualify, an eating or drinking establishment needs to incur less than \$75,000 in sales tax liabilities last year. Penalties and interest will be automatically waived; however, qualified taxpayers must still file their sales tax return even if they are unable to make a payment. Any taxpayers taking advantage of this relief will be required to pay their sales tax liabilities due in March, April and May in four installments starting on May 20 and extending through August 20. For more information, please view IDOR's informational bulletin available at tax.illinois.gov.

[Income tax collection postponed](#)

The federal government has postponed income tax collections until July 15.

[State income tax filing deadline extended](#)

Illinois has announced that, like the federal government, income tax filing has been extended to July 15. This does not include first and second installments of estimated payments of 2020 taxes that are due April 15 and June 15.

[Cook County Tax, Fine, Fee Extensions](#)

Cook County is waiving and extending deadlines for a variety of fines, fees, and taxes totaling \$35 million to help small businesses.

The CARES Act instituted a couple of tax provisions for those who are not receiving assistance through the Paycheck Protection Program.

Employee Retention Credit for Employers Subject to Closure provides a refundable payroll tax credit for 50% of wages paid by eligible employers. Employers are eligible if their operations have been fully or partially suspended due to government-ordered limitations, or if their quarterly receipts diminish by greater than 50%.

Delay of Payment of Employer Payroll Taxes. Employers can defer paying payroll taxes through the end of 2020 with all 2020 deferred amounts due in two installments -- one at the end of 2021 and the end of 2022.

