

On March 25, 2020, the U.S. Senate passed its version of the \$2 trillion Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”). The bill provides emergency assistance and health care response for individuals, families and businesses affected by the 2020 coronavirus pandemic, including certain tax reliefs and rebates. This Alert addresses certain tax provisions contained in the CARES Act, as it was approved by the Senate. The proposed legislation described herein is subject to change. [The Alert can be found here.](#)

On March 25, 2020, the U.S. Senate approved the proposed Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), a sweeping economic relief package designed to alleviate the economic impact of the COVID-19 pandemic. At the time of this Client Alert, the bill is before the U.S. House of Representatives, which will decide whether to approve the measure in the coming days. The proposed language of the CARES Act is subject to change. This Alert addresses the Paycheck Protection Program provisions of the CARES Act, as it was approved by the Senate. The Alert [can be found here.](#)

The U.S. Small Business Administration (“SBA”) administers an existing program whereby the SBA directly provides low-interest Economic Injury Disaster Loans (“EID Loans”) to small businesses that are affected by a natural disaster or other declared emergency. Under authority granted by the Families First Coronavirus Response Act which passed into law on March 18, 2020, the SBA may provide such loans to small businesses in states declared to be “affected” by the COVID-19 pandemic. As of March 26, 2020, businesses in many states (including New York and New Jersey) have been deemed eligible for EID Loans and several more states are in the process of applying (on behalf of such state’s businesses) for eligibility for the program. The Alert [can be found here.](#)

Please note that this alert addresses only the SBA’s Economic Injury Disaster Loan program, and does not address proposed changes to the SBA’s Section 7(a) Loan program under the currently-developing Coronavirus Aid, Relief, and Economic Security Act (commonly known as “CARES”). A separate GEABP update regarding CARES will be issued shortly.

On Friday, March 20, 2020, the IRS issued Notice 2020-18 with respect to taxpayers’ 2019 returns and estimated taxes for 2020. With so much news about COVID-19 and various conflicting stories on the filing and payment of federal and state income taxes, we want our clients and friends to know concisely and simply what the new rules provide. [The Alert can be found here.](#)

A new federal law that was recently passed made significant changes to the tax treatment of retirement accounts. Our Client Alert highlights these changes and how they may affect your estate planning. The Alert can be read in its entirety by [clicking here](#).

In a major change that will likely result in an increase in workplace discrimination (including sexual harassment) claims, particularly outside of New York City, the New York State Legislature has passed, and Governor Cuomo is expected to sign, a bill that eliminates the requirement that a plaintiff prove that the harassment was “severe and pervasive.” Even sporadic or isolated incidents of harassment may now be sufficient to give rise to claims, provided that a reasonable victim of discrimination would not consider them to be petty or trivial. [The Alert can be found here](#).

On May 7, 2019, the U.S. Treasury proposed new federal income tax regulations (REG-105476-18) to provide additional guidance on a new partnership rule enacted in the Tax Cuts and Jobs Act of 2017. This could potentially affect partnerships (or limited liability companies taxed as partnerships) doing business in the U.S. (“ETB Partnerships”) as well as private equity funds that have direct or indirect foreign investors. [The Alert can be found here](#).

In 2014 New York enacted estate tax legislation which added back to the taxable estate the value of certain gifts made by a New York resident if the gifts were made within three years of his or her death. The law applied only to estates of New York residents dying on or before December 31, 2018, and only with respect to gifts made between April 1, 2014 and December 31, 2018. The 2014 legislation expired on December 31, 2018. However, the 2020 NY Executive Budget reenacted the three year add back rule so that it applies to New York taxpayers dying after January 15, 2019 and prior to January 1, 2026. The Alert can be [found here](#).

The Treasury Department issued comprehensive final regulations on December 21, 2018 regarding the new partnership audit regime. A domestic limited liability company with more than one member is generally treated as a

partnership for federal income tax purposes, and in such case will also be subject to these rules. [The Alert can be found here.](#)

Donald Hamburg, a partner in GEABP's Trusts & Estates group, has just published a Client Alert entitled "*Qualified Personal Residence Trusts Attract IRS and NYS Estate Tax Audits*," which discusses heightened audit activity by the IRS and state tax departments into the operation of personal residence trusts. The Client Alert discusses the types of questions raised and information requested in such audits. It appears that the IRS and state tax examiners are taking the administration of QPRTs quite seriously and therefore it behooves those who have created such trusts to review their record keeping and to comply with the best practices as indicated by the IRS questions. The Alert can be read [here](#).