

Publications

Overview of State Relief Efforts in Response to COVID-19

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With the recent enactment of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act), the federal government has provided avenues of immediate relief to businesses financially impacted by the COVID-19 pandemic. You may find more information on the CARES Act in our recent alerts found [here](#) (economic relief for midsize and large businesses) and [here](#) (general overview).

In addition to the CARES Act, a number of states have enacted legislation, implemented relief programs, or made available state resources to further assist businesses in combating mounting economic hardships. This alert summarizes the state-specific relief efforts in Ohio, Pennsylvania, Texas, and Washington, D.C. Our federal and state relief efforts team, however, is actively monitoring developments across the country and maintaining a database of available resources in all 50 states.

Ohio

In response to statewide issues stemming from the pandemic, Ohio Governor Mike DeWine signed House Bill 197 into law on March 27, 2020. A comprehensive alert on the Bill may be found [here](#).

SharedWork Ohio, an existing voluntary layoff aversion program, remains available to Ohio employers so they may retain staff in times of reduced business. The program allows employers to uniformly reduce their employees' hours, with the Ohio Department of Job and Family Services providing unemployment insurance benefits to eligible employees proportionate to such hour reductions.

Pennsylvania

The Commonwealth of Pennsylvania is offering loans to eligible small businesses through the COVID-19 Working Capital Access Program, a recently enacted relief measure aimed at offsetting the financial impact of the COVID-19 pandemic. Important terms of the program are listed below:

- Eligible Businesses: Pennsylvania companies with 100 or fewer full-time employees worldwide.
- General Terms: The loans are intended to cover operational costs, with a maximum loan amount of \$100,000. The loans carry a 0% interest rate, except for agricultural producers (2%), and three year terms. No payments will be due and payable in the first year, with principal and applicable interest payments due monthly in years two and three.
- Restrictions: Retail and service based companies may only receive 50% financing of eligible operational costs up to \$100,000.

As an existing program, the Pennsylvania Industrial Development Authority (PIDA) offers low-interest loans and lines of credit to businesses committed to creating full-time jobs within the commonwealth, as well as for the development of industrial parks and multi-tenant facilities. The eligibility requirements and specific financing terms vary by industry and project type, but generally PIDA financing can be used for:

- land and building acquisitions;
- construction and renovation costs;
- machinery and equipment purchases;
- working capital and accounts receivable lines of credit; and
- working capital term loans.

Texas

Texas employers may consider participation in the Texas Workforce Commission's Shared Work program. This existing layoff aversion program allows employers to supplement their employees' lost wages due to a reduction in hours with partial unemployment benefits. Participating employers will submit a shared work "plan" for one or more departments, shifts, or units, so long as each plan covers two or more employees, that will detail the applicable reduction in hours. This reduction for each eligible employee must be by at least 10% and may not exceed 40%, and must affect at least 10% of the employees within the covered unit.

The Texas Workforce Commission has stated that in the event of a government mandated closure of non-essential businesses, employers may obtain protection from unemployment benefit chargebacks pursuant to Texas Labor Code Section [204.022 \(a\)\(1-2\)](#). Some local governments have already mandated closures of all non-essential businesses where this chargeback protection may be applicable.

Washington, D.C.

Washington, D.C. is investing \$25 million in the COVID-19 Recovery Effort and the DC Small Business Recovery Microgrants Program. This program will offer grants to small local businesses, independent contractors, self-employed individuals, and nonprofits to meet their short-term financial needs. The grants may be used to cover employee wages and benefits (including fringe benefits associated with employment, such as health insurance), accounts payable, fixed costs, inventory, rent, and utilities.

The filing deadline for partnership tax returns and franchise tax returns has been extended to July 15, 2020, in line with the newly set federal deadline. It is important to note that the Office of Tax and Revenue announced that the deadlines for individual and business taxpayers to file their Tax Year 2020 estimated

tax payments remain unchanged. The first quarter payments are due April 15, 2020, and the second quarter payments are due June 15, 2020.

As noted above, the Vorys federal and state relief efforts team is actively monitoring developments across the country and is available to help you navigate all of the legal and business issues related to federal and state economic relief. We will work with you to understand your company's unique circumstances to formulate strategies to ensure that your interests are protected. Please contact a member of the [team](#) or your regular Vorys attorney for assistance in identifying available state-specific relief measures.

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Vorys COVID-19 Task Force

Vorys is continuing to monitor the COVID-19 outbreak and related guidance to Insurers. In addition, Vorys attorneys and professionals are counseling our clients on a myriad of others issues related to the outbreak. We have established a comprehensive COVID-19 Task Force, which includes attorneys with deep experience in the niche disciplines that we have been and expect to continue receiving questions regarding coronavirus. Learn more and see the latest updates from the task force at vorys.com/coronavirus.