



March 24, 2020

KFIA Members,

First and foremost during these changing times we hope all of our many members and families supported by our industry are following precautions and staying healthy. We wanted to update you on current activities related to the Coronavirus COVID-19 in Kentucky and legislation at the national level. The Kentucky Forest Industries Association office is open and continuing to work hard to represent the wood industry in Frankfort. A number of states have recently issued Stay at Home Orders that affected many residents. Currently in Kentucky we are not at this point but had a number of executive orders issued by the Governor with the latest being non-essential retail businesses. Currently no orders are in place to close manufacturing facilities but things continue to change at a rapid pace.

We are working to make sure that if any future manufacturing closings occur in Kentucky they follow the National Homeland Security Guidelines which lists the wood products industry as essential to produce many products that are needed during this crisis. The other important part of the issue is to make sure that all of our members that continue to operate and be sure to follow “social distancing” guidelines and other practices to every extent possible to prevent the spread of the virus at the workplace. Please contact the KFIA office if we can be of any assistance and rest assured that we are protecting your interests and we all get through this together as an industry.

We are also staying in contact with our counterparts to monitor activities in surrounding states and across the nation so we can work closely to keep the entire industry in operation. Legislation has been passed at the federal level and below is information from the Hardwood Federation on programs and information that may be useful.

Bob Bauer, Executive Director

### **Congressional Action**

Congress has moved quickly on multiple legislative responses to the COVID-19 crisis which includes the following:

- Significantly expands the number of employers subject to the Family Medical Leave Act who must provide job-protected leave to employees for a COVID-19-designated reason. Employers with **fewer than 500 employees** are covered, although the bill also gives the Secretary of Labor the authority to issue regulations to exempt some small businesses with fewer than 50 employees and to exclude certain health care providers and emergency responders.
- Employees may take up to 12 weeks of paid, job-protected leave if the employee: (1) is complying with a requirement or recommendation to quarantine due to corona virus exposure or symptoms, and cannot work from home; (2) is caring for an at-risk family member who is quarantining; or (3) is caring for the employee’s child if the child’s school or place of care has been closed due to public health emergency. However, the first 14 days of the leave may be unpaid.

- Tax credits for employers. An employer will receive a quarterly 100% refundable payroll tax credit for the qualified family leave wages paid by the employer. In calculating the credit, the amount of qualified family leave wages taken into account with respect to any individual shall not exceed \$200 a day and \$10,000 in the aggregate for all calendar quarters.
- Employers will receive a quarterly 100 percent refundable credit against the 6.2 percent and 1.45 percent payroll taxes for qualified sick leave wages paid to employees.
- Provisions requiring insurers and government programs to provide coverage for testing for COVID- 19 and provides that they shall not impose any cost sharing (including deductibles, copayments, and coinsurance) requirements or prior authorization or other medical management requirements, during the public health emergency.

### **Federal Tax Relief for Individuals and Business**

The U.S. Treasury Department issued guidance saying that taxpayers can delay paying some federal income taxes for 90 days before interest and penalties kick in, but they must still file a return by April 15. Taxpayers who want more time to file their returns can do so by filing a form with the IRS requesting an automatic six-month extension.

Individuals can delay payments of up to \$1 million in taxes and corporations can get payments of up to \$10 million deferred until July 15 without interest and penalties. You should review the [official notice](#) from Treasury and consult your tax professional before making any final decisions regarding this new guidance.

### **State Resources for Business and Individuals**

Kentucky is implementing assistance programs for individuals and business, including disaster loan program funding provided by the U.S. Small Business Administration. The Council of State Governments has made available state level information about business assistance programs. Their site also provides information about the state programs and disease prevention. You may view their database [here](#).