

Frequently Asked Questions (FAQs) Relating to COVID-19 for Texas Businesses and Community Economic Development Partners

The Governor's Economic Development & Tourism Office staff and community partners continue to work together to provide direct assistance and resource referrals to Texas businesses to overcome this crisis. We are also focused on recovery and the next steps to position our state and businesses for future success. As Texas continues the reopening process, we are here to help. Working together, we can re-engage the economy while continuing to follow health precautions that protect our most vulnerable Texas residents. For additional news and resources regarding Coronavirus (COVID-19), go to gov.texas.gov/business/coronavirus.

UPDATE:

1. Q: What is the current status of business openings in Texas?

A: On [June 26, 2020](#), Governor Greg Abbott issued Executive Order GA-28 limiting certain businesses and services as part of the state's effort to contain the spread of COVID-19. The order includes the following:

- All bars and similar establishments that receive more than 51% of their gross receipts from the sale of alcoholic beverages are required to close at 12:00 p.m. on June 26, 2020. These businesses may remain open for delivery and takeout, including for alcoholic beverages, as authorized by the Texas Alcoholic Beverage Commission.
- Restaurants may remain open for dine-in service, but at a capacity not to exceed 50% of total listed indoor occupancy, beginning Monday, June 29, 2020.
- Rafting and tubing businesses must close.
- On [July 2, 2020](#), the Governor announced a [proclamation](#) giving mayors and county judges the ability to impose restrictions on some outdoor gatherings of over 10 people, and making it mandatory that, with certain exceptions, people cannot be in groups larger than ten and must maintain six feet of social distancing from others. Outdoor gatherings of 100 or more people must be approved by local governments, with certain exceptions.

Businesses should follow the minimum standard health protocols laid out by the Texas Department of State Health Services (DSHS). **Guidance for employers and employees, as well as Open Texas Checklists by business type, can be found on the [Open Texas Website](#).**

The conditions and limitations for reopened services do not apply to essential services, which consist of everything listed by the U.S. Department of Homeland Security in its [Guidance on the Essential Critical Infrastructure Workforce](#), plus religious services conducted in churches, congregations and houses of worship. Other essential services may be added to this list with the approval of the Texas Division of Emergency Management (TDEM). Requests for additions should be directed to TDEM at EssentialServices@tdem.texas.gov, or by visiting the TDEM website at www.tdem.texas.gov/essentialservices.

TAXES:

2. Q: I am struggling to pay my taxes as I normally would. What should I do?

A: The Comptroller's Office recognizes these are challenging times. During periods of economic hardship, paying or remitting taxes and fees on time can feel like an extra burden when there's so much uncertainty. For businesses struggling to pay the full amount of [sales taxes](#) they collect from customers, a short-term payment agreement with the Comptroller's Office may be available.

In addition, the Comptroller's Office is temporarily suspending the 60-day deadline for businesses to contest audit results. This applies to both redetermination and refund hearings. The Office will waive interest accrued during this period, and will notify businesses to reestablish a request deadline at a later date. For more information on requesting a hearing, visit: <https://bit.ly/2UA2Gqy>

Please contact the Comptroller's Enforcement Hotline at 800-252-8880 to learn about your options for remaining in compliance.

In addition, the office has a variety of online tools for businesses seeking assistance. See [COVID-19 emergency response webpage](#) for access to online tools, tutorials and other resources for tax

EMPLOYMENT:

3. Q: As an employer, where can I get advice about what I should do in this crisis?

A: The [Texas Workforce Commission – Resources for Employers](#) provides information and actionable advice for employers facing layoffs or interacting with employees during this crisis. The site offers an option for subscribers to receive updates as new content is posted.

4. Q: I am self-employed and can no longer work during this crisis. Can I apply for unemployment assistance?

A: The Coronavirus Aid, Relief, and Economic Security (CARES) Act includes provisions for temporary coverage of individuals who have exhausted their entitlement to regular Unemployment Compensation (UC) and individuals who are not eligible for regular UC, such as individuals who are self-employed or have limited recent work history. A newly created Pandemic Emergency Unemployment Compensation (PEUC) fund is the bill's primary vehicle, empowering states to extend federally-funded unemployment benefits by an additional 13 weeks (past the usual 26 weeks).

Workers not eligible for regular or extended benefits or PEUC could be eligible for **Pandemic Unemployment Assistance (PUA)**. Akin to disaster unemployment assistance, the PUA program provides unemployment benefits for individuals who lost their jobs or self-employed who are no longer working as a direct result of the pandemic, and who applied but are not eligible for regular unemployment benefits.

Self-employed individuals looking to file a claim are directed to apply online through [Unemployment Benefit Services](#), or by calling a TWC Tele-Center any day between 7 a.m. and 7 p.m. at 1-800-939-6631. When applying, individuals affected by the pandemic should indicate that as the reason they lost their job. For more detailed information on PEUC and PUA, read the [Department of Labor's Unemployment Insurance Program Letter](#).

FUNDING/LOANS:

5. Q: I am a small business and need a loan to stay in business. What options are available?

A: The U.S. Small Business Administration (SBA) administers the **Paycheck Protection Program (PPP)**. PPP is designed to provide a direct incentive for small businesses to keep their workers on the payroll. The SBA resumed accepting PPP loan applications from approved lenders on behalf of eligible borrowers on Monday, April 27, 2020. Congress approved an additional \$310 billion in appropriations for the PPP loan initiative through an amendment to the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Eligible small businesses should work with an approved lender to apply and should carefully review PPP regulations and certifications required to obtain a loan on the [SBA's website](#). Download a list of participating [PPP lenders by state](#), or utilize the SBA's Lender Match function to connect with approved [PPP lenders in your area](#).

UPDATE: *The deadline to apply for a PPP loan is August 8, 2020.*

The SBA reopened **Economic Injury Disaster Loan (EIDL)** to all eligible businesses on June 15, 2020. The EIDL is designed to provide long-term, low-interest loans to small businesses and non-profit organizations that are suffering substantial economic injury as a result of COVID-19. Organizations looking for more information and application instructions can visit the [SBA's Disaster Loan Webpage](#).

UPDATE: *All available funds for the EIDL Advance program have been allocated as of July 11, 2020. By law, SBA is not able to issue EIDL Advances once program funding has been obligated and is no longer available. However, EIDL loan applications will still be processed even though the Advance is no longer available.*

For additional guidance from the SBA on COVID-19 resources, visit their [website here](#). Please continue to check with your local and regional economic development organization for local resources which may be available, as well as your local financial institutions.

6. Q: How do I receive forgiveness on the Paycheck Protection Program (PPP) Loan?

A: Small businesses must apply through their lender for forgiveness on their loan. The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent and utilities. The Paycheck Protection Program Flexibility Act (PPFPA) reduced the amount of the loan required to be spent on payroll to at least 60% (previously 75%). Forgiveness is based on the employer maintaining or rehiring employees and maintaining salary levels. The PPFPA pushed back the deadline to rehire workers to December 31, 2020. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease. Small businesses may seek forgiveness at the conclusion of the covered period, which was extended to 24 weeks through the PPFPA (previously 8 weeks). That period begins with the disbursement of their loans. The PPFPA also states that a business can still receive forgiveness on payroll amounts if it:

- is unable to rehire an individual who was an employee of the eligible recipient on or before February 15, 2020;
- is able to demonstrate an inability to hire similarly qualified employees on or before December 31, 2020; or
- is able to demonstrate an inability to return to the same level of business activity as such business was operating at prior to February 15, 2020.

The SBA posted a new PPP loan forgiveness application, implementing the PPP Flexibility Act of 2020. In addition to revising the full forgiveness application, SBA also published a new EZ version of the forgiveness application:

- [Download PPP Full Forgiveness Application](#)
- [Download PPP EZ Forgiveness Application](#)

7. Q: Where can I find more information regarding how the Coronavirus Aid, Relief, and Economic Security (CARES) Act can help my business?

A: The [CARES Act](#) was passed by Congress on March 27, 2020. The programs and initiatives in the Act are intended to assist business owners and nonprofits with current needs due to the COVID-19 crisis. The SBA and the U.S. Department of Treasury [announced](#) a robust mobilization effort of banks to allow businesses to contact a participating SBA 7(a) lender, bank, or credit union and apply for a loan. Some of the small business provisions in the Act are outlined below.

- [Paycheck Protection Program](#) - PPP is designed to provide a direct incentive for small businesses to keep their workers on the payroll. The SBA resumed accepting applications on April 27, 2020, through additional appropriations approved by Congress.
- [Economic Injury Disaster Loan](#) – The EIDL application was reopened for all small businesses on June 15, 2020.
- [Small Business Debt Relief Program](#) - This program provides immediate relief to small businesses with non-disaster SBA loans, in particular 7(a), 504 and microloans.
- [Employee Retention Credit for Employers Subject to Closure or Experiencing Economic Hardship](#) - This provision provides a refundable payroll tax credit for 50% of wages paid by eligible employers to certain employees during the COVID-19 crisis.
- [Delay of Payment of Employer Payroll Taxes](#) - This provision allows taxpayers to defer paying the employer portion of certain payroll taxes through the end of 2020.

8. Q: Can a foreign-owned small business qualify for a disaster loan through the SBA?

A: In order to qualify for a loan through the SBA, a foreign-owned small business must have a place of business located in the U.S., which operates primarily within the U.S. or which makes a significant contribution to the U.S. economy through payment of taxes or use of American products, materials or labor. Foreign-owned businesses are subject to SBA's size standards for their particular industry. The size standard for employment includes all employees globally, including any foreign affiliate. SBA's size standard chart is available on [SBA's website](#). Alternatively, the SBA also provides a [size standards tool](#). To be eligible, the foreign-owned business may be in the legal form of an individual proprietorship, partnership, limited liability company, corporation, joint venture,

association, trust or cooperative, except that where the form is a joint venture there can be no more than 49% participation by foreign business entities in the joint venture.

PPP Eligibility: Foreign-owned companies are eligible for the Paycheck Protection Program based on the [PPP's Affiliation Rules](#). One of the eligibility criteria for a PPP loan is that the business must be located in the U.S. The loan amount available is based on payroll costs and PPP only considers payroll costs that include compensation of employees whose principal place of residence is in the U.S. Foreign-owned businesses are subject to SBA's size standards, which can be found at the SBA [PPP website](#). The PPP application allows for non-U.S. citizens to check a box. If there is an issue with the non-U.S. owner submission, your lender should call SBA's E-Tran hotline for guidance at 1-833-572-0502.

9. Q: Besides SBA loans, where can I go for financial assistance for my business?

A: Financial resources may be available in your local community. Check with your local and regional economic development organization for local resources which may be available, as well as your local financial institutions. Local CDFIs may also be able to provide assistance. Businesses can find a CDFI near them by utilizing the [CDFI Locator](#).

Businesses may also apply for the **Main Street Lending Program**, which was established by the Federal Reserve System to support lending to small- and medium-sized businesses that were in sound financial condition before the COVID-19 pandemic. The loan terms are up to \$25 million at 5%, over 4 years, with payments deferred for the first year. Businesses can apply through eligible lenders, which include U.S. banks, savings and loans and credit unions, U.S. branches or agencies of foreign banks and any U.S. subsidiary of a foreign bank. Lender registration is now open, but the Federal Reserve is currently working to create the infrastructure necessary to fully operationalize the Program. Businesses should stay in touch with their bank for details on when the program is likely to open and continue to check the Federal Reserve website. For more information about the program, visit the Federal Reserve's [Main Street Lending Program webpage](#) and download the program [FAQs](#).

OTHER:

10. Q: I am a restaurant owner. How can I keep my business alive during this crisis?

A: Reopened restaurants (or those in the process of reopening) should review the [Open Texas Checklist for Restaurants](#) located in the [Governor's Report to Open Texas](#).

Restaurants are still able to offer take-out, drive-thru and delivery options for customers, in addition to now offering dine-in service as described in GA-18. Additionally, Governor Abbott issued a [waiver](#) that now allows restaurants with a mixed beverage permit to deliver alcoholic beverages with food purchases to patrons, including beer, wine and mixed drinks. Visit the [Texas Alcoholic Beverage Commission website](#) to learn more about the qualifications necessary for your restaurant to offer this service.

Restaurants may also offer a [Comfort Food Care Package](#) on their online ordering system for customers to purchase on behalf of at-risk families and youth in the community. The package should contain enough food to feed a family of four and be priced between \$50 and \$100. The Texas Restaurant Association, Favor Delivery and other partners will promote your restaurant's involvement statewide. To sign up for the Comfort Food Care Package program, go to the Texas Restaurant Association's [website](#).

11. Q: I can supply emergency supplies to Texas state agencies involved in COVID-19 emergency response. How can I connect with these state agency buyers?

A: Governor Abbott created the Texas Supply Chain Strike Force to help source critical equipment for medical providers, such as personal protective equipment (PPE) and infection-control products. Visit the [Texas Supply Chain Strike Force Portal](#) to submit any supplies for procurement consideration or donation to the State of Texas. Due to the pressing timeline, the Supply Chain Strike Force will only consider procurement with companies that offer the following information in the initial outreach: product type, available inventory, units they can produce per

day/week, the price per unit, tax ID, FDA registered (yes/no) and shipment date. For any questions, contact dfsc@soc.texas.gov.

12. Q: How can I find out what businesses are deemed essential and allowed to remain open?

A: Governor Greg Abbott issued an [Executive Order](#) implementing Essential Services and Activities Protocols for the entire state of Texas. The Texas Division of Emergency Management (TDEM) will maintain an online list of essential services specified in the Governor's Executive Order at tdem.texas.gov/essentialservices/. Other essential services may be added to this list with the approval of TDEM. These orders will remain effective on a statewide basis through April 30, 2020, subject to extension thereafter based on the status of COVID-19 in Texas and the recommendations of the Centers for Disease Control and Prevention.

If your city and/or county has issued Shelter in Place orders, please review those orders for what *your* community has designated as an “essential” business.

13. Q: Which businesses and individuals are eligible to receive an exception from the travel-related quarantine requirements?

A: On May 21, 2020, Governor Greg Abbott issued [Executive Order GA-24](#) to terminate air travel restrictions related to the COVID-19 pandemic. With the ongoing COVID-19 outbreak, the State of Texas encourages everyone to heed the advice of the CDC and U.S. State Department's travel watches, alerts, and warnings. For more information for travelers, visit the [DSHS website](#).

14. Q: Where else can I find information that could help my business during and after the crisis?

A: For the most up-to-date information, please utilize the following resources:

[Additional SBA Resources & Programs](#)

[U.S. Department of Treasury PPP Information Sheet](#)

[Texas Department of State Health Services](#)

[Texas Department of Licensing & Regulation](#)

[Texas Comptroller of Public Accounts](#)

[Texas Department of Agriculture](#)

[Texas Creative Arts/Film Industry Resources](#)

[Texas Music Industry Resources](#)

[U.S. Chamber of Commerce Disaster Preparedness & Recovery Quick Guides](#)

[SBA Guidance to Faith-Based Organizations](#)

[Centers for Disease Control and Prevention](#)

[World Health Organization](#)

The federal government has a “one stop shop” regarding the [Government Response to Coronavirus, COVID-19](#). This page is being updated daily and has the most current federal government agency actions and information. Of particular interest are the actions [the U.S. Small Business Administration](#) is taking to help small business during this uncertain time.

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