



FUBA
FLORIDA UNITED BUSINESSES ASSOCIATION

ISSUES

OUR BUSINESS IS SMALL BUSINESS

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CHANGES TO PPP HELP SMALL BUSINESSES

The Paycheck Protection Program (PPP) was created in 2020 to provide financial assistance to businesses affected by the pandemic. The loans do not have to be paid back if a business complies with the program's rules.

Several recent changes to the PPP loan program are intended to help small businesses qualify for these loans:

1. PPP applications limited to small businesses

and sole proprietors for two weeks. From February 24th through March 9th, banks may only accept and process PPP loan applications from businesses with 20 or fewer employees. This change is intended to allow lenders to focus on smaller businesses needing a loan.

If your business did not receive a PPP loan in 2020, you can apply for your first PPP loan now. If your business did receive a PPP loan last year, you can apply for a second PPP loan, but you must show that your business had a 25% reduction in gross receipts from 2019 to 2020.

Contact your bank to apply for a PPP loan—most banks are requiring that you have a business account already established with them before they will work with you on a PPP loan. To find a lender in your area, you can use the Small Business Administration's tool to find lenders in your area: [sba.gov/PaycheckProtection/find](https://www.sba.gov/PaycheckProtection/find).

2. New loan formula for sole proprietors/self-employed/independent contractors:

The amount these businesses were eligible for previously was based on their annual profit, which severely limited the amount of their loan. But the new criteria will focus on gross income before expenses are deducted to help increase the amount of the loan these businesses are eligible to receive.

3. Expanded eligibility to apply for a loan:

Non-citizen business owners who are lawful U.S. residents may now apply for a PPP loan using their Individual Tax Identification Number (ITIN). Also, business owners with felony convictions and delinquent federal student loans may apply.

Businesses with more than 20 employees will be able to resume applying for a PPP loan after March 10th until the PPP loan program ends on March 31st.

Go to [sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program](https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program) for more information. FUBA members with questions about PPP loans can ask our experts by calling us at 800-262-4483.

BUSINESSES WILL SEE AN INCREASE IN REEMPLOYMENT TAXES IN 2021

Florida employers are required to pay reemployment tax (also known as unemployment tax) on behalf of their

employees. This tax is paid quarterly to the Florida Department of Revenue using the form RT-6 (the *Employers Quarterly Report*).

The amount of reemployment tax your business pays is based on how many of your former employees have filed for reemployment benefits during the last 3 years. If your business has not had any layoffs, your tax rate will be the minimum rate. Your tax rate increases depending on how many layoffs you have had, subject to a max rate of 5.4%.

The coronavirus pandemic forced many businesses to lay off employees, at the same time that reemployment benefits were increased significantly by the federal government. The cost for these pandemic-related payouts is being spread over all employers in the state of Florida, increasing taxes for most Florida employers in 2021. A multiplier will be applied to most employers' tax rate to help recoup the money paid out in 2020.

Employers who had been at the minimum reemployment tax rate of .1% had been paying \$7.00 in tax per employee per year. For 2021, the minimum tax rate is increasing to .29%, which means employers at that rate will pay \$20.30 per employee for the year.

Employers whose tax rate was more than the minimum rate will see increases as well.

Employers who are at the maximum rate of 5.4% will not see an increase because this rate is capped and cannot go higher than 5.4%. These employers will continue to pay \$378 in tax for each of their employees for 2021.

Keep in mind that you only pay tax on the first \$7,000 of an employee's wages.

Your first reemployment tax return (RT-6) for calendar year 2021 is due by April 30, 2021 and is for wages you paid employees in the first quarter of 2021 (January, February, and March).

You should have already received a notice from the Florida Department of Revenue explaining

your company's reemployment tax rate for calendar year 2021.

If you have questions, you can call the FUBA offices at 800-262-4483 and ask for Karen. Or visit the Department of Revenue's website at floridarevenue.com/taxes/taxesfees/Pages/reemployment.aspx.

FLORIDA BUSINESSES: 2021 ANNUAL REPORTS CAN BE FILED NOW

To maintain an "active status" with the state of Florida, your corporation or LLC must file an Annual Report with the Florida Division of Corporations by May 1st. The purpose of the Annual Report is to confirm the information the state has on file about your company.

The only notice the state will send you is an email to the address on file for your company. There is a link in the email that takes you directly to the state's official website at sunbiz.org.

The Annual Report must be filed online at the state's official website at sunbiz.org. Make sure the page displayed on your computer says "An official State of Florida website" at the top of the page. Under "Filing Services," click on the "Annual Report" box. You will need your company's document number, that was assigned to your company by the Division of Corporations when you first created your business. It will be in the email notice you should have already received from the Division of Corporations, or you can find your company's document number by going to sunbiz.org and clicking on "Look up a Business" under the "Popular Tasks" tab and searching by your company's name.

For corporations, the cost to file an Annual Report is \$150, if filed by May 1st. For LLC's, the filing fee is \$138.75, if filed by May 1st. If the Annual Report is filed after May 1st, the state assesses a mandatory \$400 late fee which cannot be waived.