



LOTSE
Special - Coping with the crisis

1. AVAILABILITY, COOPERATION, CONSULTING
2. TIP FOR IMPROVING YOUR LIQUIDITY
3. EMPLOYERS TIPS
4. TAX DEFERRAL AND TAX REDUCTION
5. TIPS FOR BORROWERS



Stay Healthy
Ihr Steuerbüro Scheel

The term „crisis“ is often used in an inflationary way, but at the moment it is actually the only appropriate term: The corona virus has a firm grip on us - even if we ourselves are hopefully not directly affected by it in terms of health.

In view of the expected economic **impact**, it is understandable that one or the other is beginning to panic.

However, fear and panic have never been good advisors.

In a real crisis, we are therefore all glad to have partners at our side who understand our fears and needs and who can help us quickly and easily without panicking ourselves.

As your companion for many years, we would like to be this partner for you and take our responsibility very seriously. Our first goal is to support you in your possibly strained liquidity situation. In addition, we would like to ensure your medium and long-term economic success together with you.

What you can expect from us:

- We ensure the **handling of your current bookkeeping and payroll accounting** - they are also the mandatory basis for the application of many funding measures.
- We will **inform you about the possibilities for action and funding**. You can rely on us to provide you with facts only. Therefore, we ask you to pay special attention to our e-mails at the moment - we ask you to be careful with the information in the social media - you better rely on us.
- Wherever possible and economically feasible, we will **contact you directly**. We ask for your understanding that the distribution of information by telephone is not 100% affordable.
- Together we will find the right **solutions** for you and support you in **implementing them as far as possible and as you wish**.

We offer you a **current overview of your situation and your options for action** here in the special pilot Corona.

1. Our immediate measures for you

Accessibility and cooperation

- We have been offering our employees the opportunity to work in a **home office for some** time now. In these times this is a valuable advantage, because our work for you is guaranteed even in the case of harsher measures by the government and the possible illness of individual employees.
- Thanks to our largely digital working method, we can completely dispense with paper movements. Our employees will contact you to arrange uncomplicated solutions for the digital exchange of documents with you.
- We have **reorganized our team** according to the current requirements. Please do not be surprised that you may not always be able to get in touch immediately with the person you are used to. Through regular short meetings and internal communication systems we keep the overview.

The consulting concept

- We scan the many - often contradictory - pieces of information about the funding opportunities that are available to you.
- Special focus is placed on strengthening your liquidity - the currently available subsidies can be found below.
- For a first overview we have attached our „stress test“. Here you will find your options for action as an entrepreneur. This will enable you to take your own measures immediately and to decide on which measures you would like to take advantage of our support.

The procedure

We expressly point out that the state support measures only apply to entrepreneurs **directly affected by the Corona crisis**. However, this term is not yet clearly defined.

We therefore ask you to consider carefully whether you would like to take advantage of support measures now. The risk of repayment cannot be completely ruled out at the moment. Before we implement measures with you, we will discuss this topic once again for you personally.

Quick fixes are not always useful. We will assess the need for action responsibly and will also adjust the timing to the **urgency of each case** so that each of you is helped when you need it most.

Nor is it to be expected that the supply or scope of government support measures will be discontinued again in the short term.

In the current crisis, it is important to act quickly and deliberately. This is the challenge we are facing.

2. How to improve your Liquidity

The government's funding opportunities are taking shape, but it may take some time before the money ends up in your account; and it is not expected that government funding will be sufficient to fully compensate for your losses.

Furthermore, we must repeatedly emphasise that subsidies, deferrals and loans are only granted with appropriate proof of Corona's direct involvement.

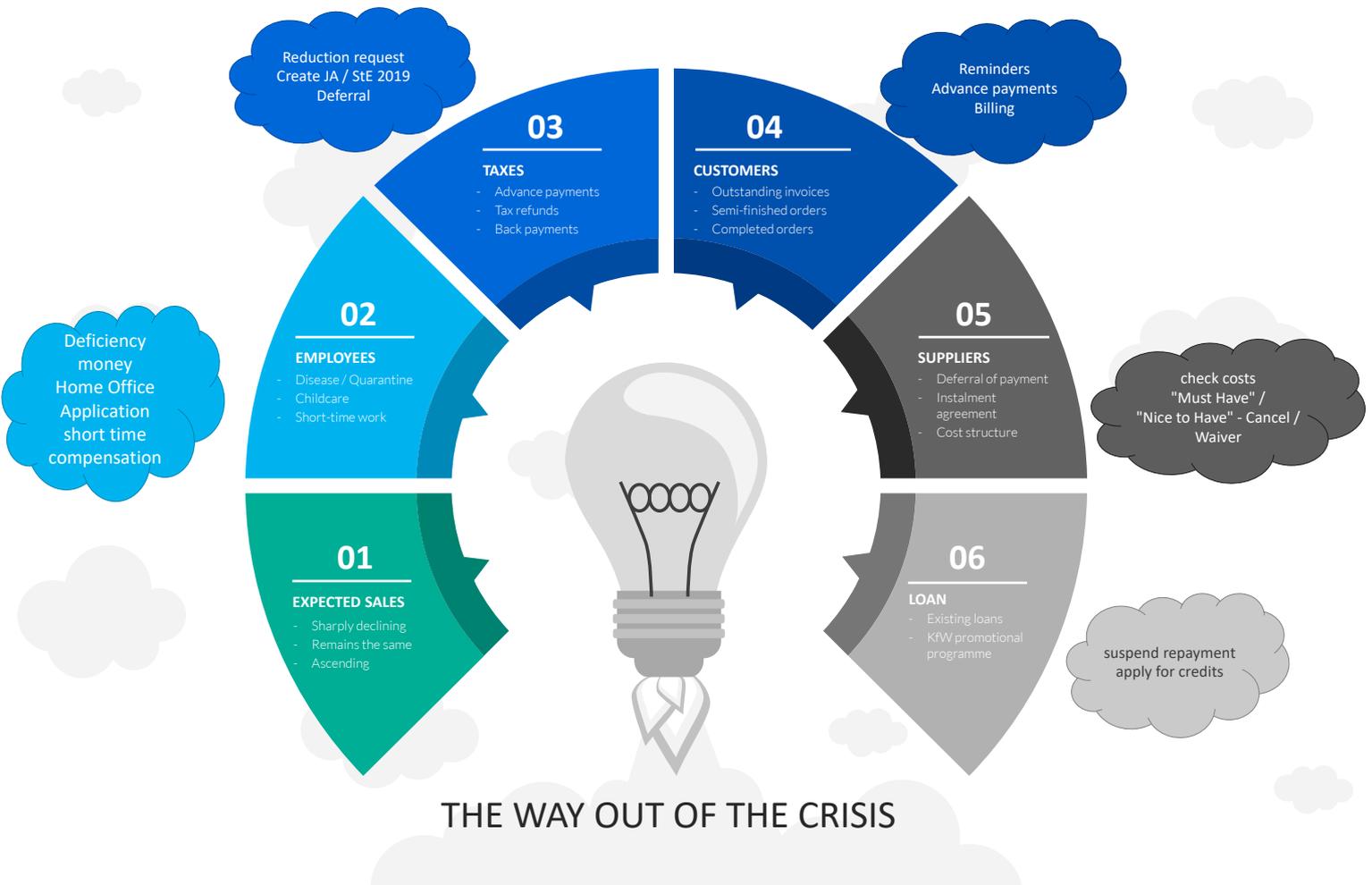
As an entrepreneur, it is now essential for you to use all other possibilities and become creative.

Here are our most important tips for your liquidity:

- Write pending invoices as soon as possible. Ask for advance payments.
- Write reminders now - with all due caution and with a request for understanding of the special situation.
- Check your deductions for gas, electricity and water - if you work less or your employees are in the home office, consumption may decrease. This way you can reimburse your employees for electricity at home.
- Check existing contracts - commercial rental and lease contracts are often linked to your turnover or to the general price index. Perhaps there are other contracts (maintenance contracts etc.) that you can cancel at short notice. It is worth taking a close look at the costs.
- Consider whether you can sell urgently needed assets (cars?).
- Speak to your landlord about measures to relieve the rental payments.

The measures that you should take (with us) at your bank are listed in the corresponding point below.





3. Your situation as an employer

We know that, as a rule, wage costs and associated expenses are your biggest fixed cost item alongside rents.

Rights and duties of their employees

We are not lawyers and are therefore not allowed to give you legal advice. If you need a lawyer, we can provide you with a contact.

What happens during quarantine

- **Conditions for reimbursement of wages and salaries in case of quarantine**

First things first:

Compensation for wages and salaries is only available if the quarantine is ordered by the authorities. There are no refunds for voluntary quarantine!

In order to apply for a refund, you need a certificate from the responsible authority.

That is the current state of affairs - even if voluntary quarantine seems to be quite sensible in many places. We will continue to report

- **Amount of the possible refund**

According to the IfSG (Infektionsschutzgesetz) you will receive full pay for 6 weeks, after which you will be reimbursed at the level of sickness benefit.

If you are affected by an official quarantine measure, please contact us immediately.

Protective measures

As an employer you have a fundamental duty of care for your employees. Many details are regulated in individual laws (e.g. occupational health and safety).

In the current situation, it is certainly not important to do only what is legally required, but to take the employees' fears seriously and to do everything that calms them down - no matter how absurd it may be from your personal point of view. What counts here is the result - not who is right.

The motto: **Action instead of discussion.**

Short-time compensation

This immediate measure is currently the most frequently chosen by our clients. Our payroll department is therefore in continuous operation - here too, the conditions and the processing change almost daily.

We have summarized the most important questions in a document that you can download here: [Information on short-time work compensation](#)

Terminations

Nobody hopes that it will be necessary to lay off employees. This is certainly one of the last measures to be taken, especially in view of the prevailing shortage of skilled workers. On the contrary, you now have the opportunity to distinguish yourself as a top employer by retaining your employees and protecting them as much as possible (home office, protective measures, etc.). After the crisis we expect a steep growth curve in orders and sales. You need every employee there.

4. Tax adjustments and Deferral options

Here you can see what you can do to adjust tax payments or to defer them.

INCOME TAX CORPORATE INCOME TAX

Deferments: Full deferment can be granted upon request.

- Applies to taxes due or becoming due (e.g. back payments 2018/2019)
- Interest-free deferral to be granted by tax offices
- Deferral is valid until 31.12.2020 (applications for taxes and periods due after 31.12.2020 must be specially justified)

Adjustment Advance payments

Adjustments, if necessary complete reduction, are possible.
The next due dates are:
Income tax and corporation tax: 10.6. (then: 10.9. and 10.12.)

Requirements:

Proof of the immediate and not inconsiderable impact of the crisis.
The tax offices are required to „not impose strict requirements“ on the proof.

VALUE ADDED TAX

The above remarks on taxes on income (ESt and KSt) apply analogously to value added tax.

In addition, there is the possibility to get back the **special VAT advance payment** („1/11“) or to have it deferred (interest-free if necessary)

- This requires the submission of a corrected VAT return.
- The special advance VAT payment was regularly reported and paid when the advance VAT return for December 2019 (deadline: 10.02.2020) was submitted.

TRADE TAX

Deferral: The same possibilities apply as for income tax.

Adjustment Advance payments:

Adjustments, if necessary complete reduction, are possible.
The next due dates are: 15.5. (then: 15.8. and 15.11.)

Special feature:

The municipalities are bound by the reduction of the trade tax assessment amount for the purposes of trade tax advance payments.
Any requests for deferment or remission should be addressed directly to the municipalities.

PAYROLL TAX

The payroll tax is **generally exempt** from the deferral regulations **exempted**.

However, the tax authorities are required to ensure that **no** take **enforcement measures** - for taxes already in arrears or due by that date.

- Late payment penalties should be waived.
- Prerequisite for a stay of execution: the debtor notifies the tax office that he is affected by the crisis or the tax office becomes aware of this in another way

In conclusion, the BMF letter should therefore be understood as meaning that the above-mentioned stay of execution without penalty of default is in **effect the same liquidity sequence** as achieved **by deferral**.

The Bavarian State Office for Taxes also points out on its homepage that tax deductions within the meaning of § 222 sentences 3 and 4 AO (payroll tax and capital gains tax) cannot be deferred, but that there is the possibility of submitting an application for a stay of execution to the competent tax office.

We will contact you to discuss the steps that are possible and sensible for you.

Liquidity by the finance authorities

As this is at least partly a matter of passing on external money (employee contribution), the possibilities are basically limited here.

However, the deferral options are currently in the decision-making phase. The first health insurance companies have already reacted. We will take care of it if you do not want to take matters into your own hands.

The temporary relief in insolvency law

The obligation to file for insolvency is temporarily suspended until 30.09.2020.

5. Your situation and recommendations for action as a borrower

Since, as already mentioned, the loans from public funds and subsidies will certainly not be transferred on your account overnight, you should first address the existing loans here.

Optimize existing loans

Talk to your business bank about the following topics:

- Overdraft extension - extend your current line of credit now
- Suspension of repayments from 4 - 6 months
- Debt rescheduling on better terms

Initial experience shows that the house banks are very accommodating.

Making use of loans from public funds and grants

Loans from public funding and from KfW

Even in this situation the already proven funds through KfW are always worth considering.

Depending on whether you have been on the road as a company for less or more than 5 years, there are different loans.

- ➔ Under 5 years on the market „young entrepreneurs“:
ERP start-up loan (ERP-Gründerkredit)
- ➔ Over 5 years on the market
 - KfW Unternehmerkredit (Company Loan)
 - KfW Kredit für Wachstum (Loan for Growth)

In addition, there are various special programmes, some of which vary from state to state. The **guarantee banks (Bürgschaftsbanken) of the states** also have their own programmes.

This is a matter for your business bank. We would be happy to assist you in preparing the necessary documents (PoL-Statements 2019 and 2020, annual financial statements 2017/ 2018, help you fill out the self-disclosure form, calculation of credit requirements using a liquidity plan for the next 12 months). And we will also assist you in bank negotiations if you wish - online, of course, depending on the situation.

Remember: This is a loan - so the money has to be paid back at some point. At the moment, there is a draft law on this subject regarding facilitating the repayment of loans - but this is still to be decided. We'll let you know as soon as we know for sure.

New federal and state support measures

The individual federal states are currently in the process of launching their own support measures. Most of them have more or less adopted the „Bavarian model“. In particular, small entrepreneurs with less than 10 employees will receive subsidies - here, nothing has to be paid back. The solo entrepreneurs - i.e. the entrepreneurs without employees will probably have to apply for basic benefits under Hartz IV. Here too, however, there will be some relief.

However, as is already the case in Bavaria, the **precondition** will be that liabilities cannot be serviced. In other words, a real, not an expected bottleneck. Moreover, in Bavaria, private assets (long-term tied assets such as old-age provision through real estate, shares or life insurance policies will remain unaffected) must first be used before the state can step in. Bavaria requires an affidavit for this.

The amount of the grants will probably range from approximately € 5,000 to approximately € 30,000 depending on the number of employees.

The respective administrative districts are **responsible for** processing the applications. Applications should be processed very quickly after submission (we are talking about one week).

As soon as the exact regulations for your federal state and your case have been determined and the (online) forms are available, we will be happy to check your eligibility and assist you with the application.

We assume that the regulations will be clarified in the course of the coming week and that the application process will then start quickly.

The strategy:

In case of uncertainty (probably) we will apply for the subsidies for you after consultation with you in order not to miss a chance. We will also realistically discuss with you the risk of a possible repayment, as this cannot be ruled out at this stage. Especially the interpretation of the term „**directly affected by corona**“ will certainly still accompany us. However, we also hope for clarification from the authorities in the short term.

Further measures are being discussed in the federal **legislative process**. Here too, concrete results can be expected shortly. Among other things, the following tax relief is to be expected - even if this has not yet been promised with certainty:

- Temporary introduction of declining depreciation of movable assets
- improved depreciation of digital assets
- Extension of the investment deduction (Investitionsabzugsbetrag) to intangible assets
- „Immediate write-off“ for low-value assets up to 2,000 €
- Extension of loss to be carried back 2 years (instead of one), abolition or adjustment of minimum taxation
- Reduction of EEG levy, reduction of electricity tax
- Suspension of the increase in air transport tax
- Postponement of the due date of the regular VAT prepayments by one month

Conclusion and outlook

We'll stay tuned for you. Our radars on all channels are running at full speed. In addition, bookkeeping and wages remain important services to ensure that the necessary documents are available when applying for loans and subsidies.

In doing so, we will account for our support appropriately and with tact and sensitivity. We will discuss the terms of payment with you in advance.

Together we will get through this time as well as possible. In the hope that by the end of the year at the latest we can say it could have been worse.

We wish you and your loved ones all the best.

Take care of your family and friends!

Die Mandantenzeitung Lotse ist ein Gemeinschaftsprojekt des delfi-net Netzwerk zukunftsorientierter Steuerberater

Fast 100 Kanzleien haben sich bundesweit in diesem Netzwerk zusammengeschlossen, um Erfahrungen auszutauschen und Kompetenzen für die Mandanten zu bündeln.



Impressum:

Herausgegeben als Gemeinschaftsarbeit der delfi-net Steuerberatungskanzleien
Copyright: delfi-net - Netzwerk zukunftsorientierter Steuerberater - www.delfi-net.de
Gestaltung: Erwin Hamatschek

Fotos:

Seite 1 / © ING_19061_163323 / InlImage
Seite 2 / © ISS_10078_00916 - Seite 3 / ©ISS_23462_01057 / InlImage
Seite 4 / © Kanzlei4You GbR
Seite 7 / © Erwin Hamatschek

Hinweis:

Stand 23.03.2020
Der Inhalt ist nach bestem Wissen und dem aktuellen Kenntnisstand erstellt worden.
Haftung und Gewähr sind ausgeschlossen, diese bleiben der Einzelberatung vorbehalten.



SteuerbüroScheel

Dipl.-Kauffrau

Brigitta Scheel

Steuerberaterin

Fachberaterin für Unternehmensnachfolge (DStV e.V)

Grunewaldstr. 83

10823 Berlin

Tel.: 030/789 559-33

Fax: 030/789 559-340

info@stbscheel.de

www.stbscheel.de