

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, URGING PRESIDENT DONALD TRUMP AND THE U.S. CONGRESS TO ABATE FEDERAL PAYROLL TAXES TO PROVIDE RELIEF TO INDIVIDUALS IMPACTED BY COVID-19; AND DIRECTING THE CITY CLERK TO TRANSMIT A CERTIFIED COPY OF THIS RESOLUTION TO U.S. SENATE MAJORITY AND MINORITY LEADERS, U.S. SPEAKER OF THE HOUSE, FLORIDA SENATORS MARCO RUBIO AND RICK SCOTT, AND U.S. CONGRESSWOMAN DONNA SHALALA.

WHEREAS, on March 11, 2020, the World Health Organization declared the rapidly spreading novel coronavirus (“COVID-19”) a pandemic, acknowledging what has seemed clear for some time — the virus will likely spread to all countries on the globe; and

WHEREAS, the rate of infection throughout the world and in the US has accelerated rapidly, grinding most markets and businesses around the globe to a halt; and

WHEREAS, in response to COVID-19 impacting businesses and individuals, many countries around the world are implementing emergency tax measures to support their citizens during the COVID-19 outbreak (see Exhibit A); and

WHEREAS, countries including the Netherlands, Norway, Belgium, and Australia have either deferred their payroll taxes or reduced their rate for an extended period of time; and

WHEREAS, payroll tax abatements have been successfully employed in the United States in the past, when the former Administration cut payroll taxes by 2 percent in 2011 and 2012, adding \$120 million to workers' spendable income; and

WHEREAS, currently, workers and their employers each pay taxes of 7.65% on most wages – abating payroll taxes would provide an immediate boost to workers' paychecks during this critical time; and

WHEREAS, as such, the Mayor and City Commission urge President Donald Trump and the U.S. Congress to abate federal payroll taxes to provide relief to individuals impacted by COVID-19.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission hereby urge President Donald Trump and the U.S. Congress to abate

federal payroll taxes to provide relief to individuals impacted by COVID-19; and direct the City Clerk to transmit a certified copy of this Resolution to U.S. Senate Majority and Minority Leaders, U.S. Speaker of the House, Florida Senators Marco Rubio and Rick Scott, and U.S. Congresswoman Donna Shalala.

PASSED and ADOPTED this ____ day of April, 2020.

ATTEST:

Dan Gelber, Mayor

Rafael E. Granado, City Clerk

(sponsored by Commissioner Michael Gongora)

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION



City Attorney *PA*

4-8-2020

Date

Algeria Coronavirus Tax Relief

Algeria has extended the deadlines for the provisional installments of corporate and individual income tax to April 20, 2020 except for companies that report to the Large Taxpayer Department with deadlines that have not been extended.

Australia Coronavirus Tax Relief

Australia has announced federal relief proposals that total around \$189 billion (AUD). State governments have also announced relief packages and in some cases deferrals of payroll tax payments (Australian Capital Territory, Queensland, Victoria, Western Australia).

The federal relief package includes direct payments to citizens. For job seekers impacted by the downturn, there will be payments of \$550 every two weeks in addition to current income support payments. The government expects these payments to cost \$14.1 billion. There is also a broad-based, \$750 one-time payment to eligible recipients—this is expected to cost \$4 billion. Individuals will also be able to temporarily access up to \$10,000 from certain retirement accounts.

The aid packages provide relief to businesses through subsidized loans and central bank lending, and temporary relief from insolvency laws, immediate expensing (instant asset write-off), and accelerated depreciation.

Immediate expensing will now be available for assets costing less than \$150,000 on a per-asset class basis. Eligibility is expanded to include businesses with annual revenues of less than \$500 million (the current cap is \$50 million). This measure applies until the end of June.

Accelerated depreciation will be provided temporarily for businesses with less than \$500 million in revenues. In addition to current depreciation deductions, the policy allows an additional 50 percent deduction but only applies to assets purchased after March 12 and put into service by June 30, 2021.

Businesses subject to the Goods and Services Tax (GST) can apply for deferred payments if they are facing cash-flow challenges. Also, businesses that receive credits or refunds under the GST can switch from quarterly to monthly filings to speed up their refunds.

Austria Coronavirus Tax Relief

Austria is reducing income and corporate tax prepayments, deferring tax payments, allowing taxes to be paid in installments, reducing or providing relief from late tax payments, and suspending tax audits. For businesses that need to reduce working hours, labor subsidies are being provided. There is also direct aid being provided to sole proprietorships and family-owned businesses in addition to the tourism and cultural sectors.

For corporate tax payments, taxpayers can apply to have their advance payments reduced to zero or to receive a payment deferral or an installment plan. Applications can be submitted until October 31, 2020.

Value-added tax (VAT) payments can also be deferred on a case-by-case basis, and payments are not necessary while an application for deferral is pending with the tax authorities. The VAT payment due on June 30, 2020, is expected to be delayed.

Belgium Coronavirus Tax Relief

Belgium has adopted several measures to delay tax payments. Corporate and income tax payments deadlines are extended for an additional two months. There is also relief for late payments for tax liabilities prior to March 12. For businesses that demonstrate that payment difficulties are linked to the coronavirus outbreak, the government is providing a VAT payment plan that gives relief from penalties. A similar payment plan is available for payroll tax liabilities.

VAT filings have been delayed by two weeks and payments have been delayed by two months. Businesses in good standing may receive early refunds from February's tax filing by April 30.

Bulgaria Coronavirus Tax Relief

Bulgaria has extended deadlines for business taxes from March 31 to June 30. Personal income tax returns will get an extension from April 30 to June 30.

Canada Coronavirus Tax Relief

Canada's federal government is deferring tax payments for individuals and businesses. Any income tax amounts owed on or after March 18 and before September can be deferred until after August 31. In addition, post-assessment sales tax or income tax audits for small and medium businesses will be suspended for the next four weeks. The finance ministry will also provide a temporary wage subsidy to eligible small businesses worth 10 percent of remuneration over three months. Canada has

provided \$107 billion CAD in a relief package that includes boosting its health system and giving direct support to households and businesses. Federal Goods and Services Tax (GST) filings and payments due in March-May are postponed until June 30.

Chile Coronavirus Tax Relief

In Chile, the government has responded to the coronavirus by announcing a 350 million Chilean UF stimulus plan. President Sebastian Pinera has outlined a number of tax measures in response to the coronavirus outbreak. The monthly provisional payments of corporate income taxes are suspended until June 30, and payments for VAT and income taxes have been postponed until June 30 for companies with annual sales of less than 350,000 UF. Qualifying small and medium-sized businesses will receive an early tax refund in April. April's tax payments for individuals with properties assessed less than 4 million UF have been postponed.

China Coronavirus Tax Relief

China has reduced its VAT from 3 percent to 1 percent for the cash accounting program for small businesses until the end of May. It also cut VAT on medical, catering, accommodation, hairdressing, and laundry services as well as on masks and protective clothing. China has approved about 1.3 trillion Yuan to boost its economy after the coronavirus disruption; this includes epidemic prevention and control, aid for unemployment insurance, and infrastructure for its public health system.

Czech Republic Coronavirus Tax Relief

The Czech Republic is waiving penalties and default interest for income tax payments until July 1. Late filing waivers for all taxes will be case-by-case. There is also a general waiver of penalties with respect to VAT statements.

Applications will also be considered for businesses that wish to cancel income tax prepayments, defer tax payments (for VAT or income tax), or extend their filing deadline for corporate income tax returns.

Payroll tax and labor market contributions payment deadlines in April through June are extended four months. If a business's original deadline was July 10, it now is November 10.

Denmark Coronavirus Tax Relief

Denmark announced three tax measures to boost business liquidity. Large companies will have 30 additional days to pay VAT, while all companies will be granted four additional months to pay their

labor contributions originally due through the end of June. The government is also lifting the ceiling on businesses' tax accounts so that corporations won't have to pay negative interest rates when placing cash in the bank. That limit is rising from the current level of DKK 200,000 to DKK 10 million until the end of November 2020.

Workers who are sent home will receive 90 percent wage support for three months. The government is also covering sick leave costs from the first day of leave.

Estonia Coronavirus Tax Relief

Estonia is suspending interest penalties on late corporate tax payments for two months. There is also a VAT payment holiday until May 1.

Finland Coronavirus Tax Relief

Finland is delaying corporate income tax payments. Additionally, the government is providing an extra €27 million in health-care spending and €73 million in liquidity to businesses. The government is also supporting loan guarantees for small and medium-sized businesses.

France Coronavirus Tax Relief

In France, the government is allowing companies to suspend payments of some social charges and taxes and is activating state-subsidized short-time work schemes. The next installment of direct tax payments is being delayed for three months. Additionally, no new tax audits will be started during the "lockdown period." VAT refunds have been accelerated.

France has also bankrolled a €1 billion solidarity fund for affected businesses. In total, France has deployed a €45 billion relief package with an additional €300 billion in loan guarantees.

Germany Coronavirus Tax Relief

Germany will make it easier for companies to claim subsidies to support workers on reduced schedules to counter the effects of the pandemic. This is the same measure which was used to help prevent large-scale layoffs during the 2008 financial crisis.

Tax relief measures include broad deferral options and tax base reduction for trade taxes. Tax deferrals will be granted without interest, but taxpayers must apply before December 31, 2020. Late payment

penalties are waived through the end of 2020. Advance payments for income tax and corporate tax are delayed until June 10. Trade tax advance payments are delayed until May 15.

The government has also discussed implementing a reform to the solidarity tax (a 5.5 percent surcharge on high-income earners) in 2020 rather than in 2021 as previously planned.

Germany is also providing up to €50 billion in support for self-employed and small and medium-sized businesses, and up to €500 billion in liquidity measures for affected businesses.

Greece Coronavirus Tax Relief

Greece will suspend VAT payments due at the end of March for four months, and VAT for businesses affected by the coronavirus are postponed to August 31. Companies' social security contributions will be suspended until June 30. VAT reduction will be 6 percent from 24 percent for products related to preventing spread of coronavirus. The sales list filings for 2019 have been delayed to June 30.

Hungary Coronavirus Tax Relief

Hungary is providing relief for social security contributions. Employers will not be required to pay the employer side of social security contributions (17.5 percent + 1 percent) from March through June. Employees will only be liable for their 4 percent health-care contribution rather than the total 18.5 percent social security contribution.

Iceland Coronavirus Tax Relief

Iceland is postponing payment deadlines for social security taxes and public levies. Taxes that were originally due on March 16 are delayed until April 15. No penalty or surcharge will apply if the payments are made by April 15.

Iceland is providing businesses with relief by postponing VAT payments; companies may apply to postpone their VAT payments until 2021.

India Coronavirus Tax Relief

India has provided a fiscal support package of 150 billion rupees focused on the health system's response to the outbreak. State level fiscal support has also been announced. Tax filing has been postponed from March 31 to June 30 for income tax returns. There is also a reduced interest rate for

tax payments made by June 30 and late filing penalties are waived. Goods and services tax (GST) deadlines for March, April, and May are extended to the end of June.

India is also working on a relief package for the airline industry including deferring aviation fuel tax.

Indonesia Coronavirus Tax Relief

Indonesia plans to waive income tax for individuals for six months as it seeks to boost purchasing power. The deadline for tax amnesty program submissions has been extended to April 30. A second stimulus package will allow firms to delay payments of corporate and income tax on the sale of imported goods. These measures will go into effect April 1st and last for six months. Also, to encourage tourism to certain destinations, a 10 percent hotel and restaurant local tax will be lifted for six months, with the central government compensating local governments for the expense.

Ireland Coronavirus Tax Relief

Ireland has instituted a broad relief program amounting to €3 billion. Relief includes waiving interest on late tax payments and a suspension of the relevant contracts tax. Broad lending authority and specific relief for temporary layoffs is also included. Employers who temporarily lay off their employees due to the crisis will be eligible to get a refund from the tax authority for €203 per week for payments to those laid off workers.

Israel Coronavirus Tax Relief

Israel has delayed VAT payments for 10 days, from the scheduled March 16 date to March 26, and extended the deadline for income tax filing and payments online to July 30 and offline to June 30.

Italy Coronavirus Tax Relief

In Italy, tax deadlines have been extended for residents and companies in the so-called “red areas” of Italy. Also, all tax payments due between February 23 and April 30 were extended until May 31, and tax credits will be granted to companies that suffer a 25 percent drop in revenues. In addition, businesses will receive a 50 percent tax credit for sanitation expenses, such as daily cleaning services, masks, and other precautions that help stop the spread of new coronavirus.

Banks have been given options to take some loss deductions and convert them to tax credits.

Iran Coronavirus Tax Relief

In Iran, employees can defer tax payments for the next three months, and the 3 million poorest Iranians will receive an additional cash subsidy. There will be additional tax relief for small to medium-sized enterprises.

Japan Coronavirus Tax Relief

Japan has delayed income, consumption, and gift tax filing deadlines and payments by one month, until April. Further measures will be considered depending on the severity of the outbreak.

Latvia Coronavirus Tax Relief

Latvia has extended the VAT reclaim deadline for non-EU countries, from June 30 to the end of September. Latvia is granting tax delays including VAT payments to provide relief for businesses, which also must apply to *delay their taxes* until June 30. Businesses with a decrease in income due to the coronavirus that qualify can have tax payments deferred or staggered for up to three years, and the government will cover 75 percent of salaries of workers experiencing downtime because of the coronavirus from March 14-May 14.

Lithuania Coronavirus Tax Relief

Lithuania has delayed the corporate tax and filing deadline until March 30. Businesses can revise their corporate income tax calculations based on projections for 2020 rather than the previous year's results. Personal taxes have also been delayed from May 4 to July 1. VAT payers can defer returns for up to *one year* with no interest or penalty. VAT payers affected by the coronavirus crisis may apply to write off all outstanding VAT.

Luxembourg Coronavirus Tax Relief

Luxembourg is allowing businesses to file requests for cancellation of the first two quarterly tax payments for 2020 (for corporate income and municipal business taxes), and there is a four-month deadline extension (for corporate income, municipal business, and corporate net wealth taxes) for all payments due after February 29, 2020.

Malaysia Coronavirus Tax Relief

Malaysia is exempting accommodation services (including hotels) from the 6 percent services tax and providing sales tax exemptions and lifting import duties on equipment and machinery.

Mexico Coronavirus Tax Relief

Mexico has delayed deadlines for lawsuits in tax courts until April 19.

Netherlands Coronavirus Tax Relief

The Netherlands has created a blanket three-month delay for payroll, income, and corporate tax payments along with VAT. Late payments will face a reduced interest cost of 0.01 percent.

The government is also providing support for businesses that see a 20 percent reduction in revenues, at 90 percent of wage costs. There is also a €4,000 compensation payment available to businesses that were forced to close temporarily, and an expansion of government guarantees for loans to small and medium-sized businesses.

New Zealand Coronavirus Tax Relief

New Zealand has announced the reintroduction of depreciation deductions for commercial and industrial buildings to encourage investment. In addition, the threshold for payment of provisional tax will be increased to NZ \$5,000 to reduce cash-flow pressure on small firms. Taxpayers can choose to receive refunds for research and development tax credits one year early. Fines and penalties for late filing of Goods and Services Tax (GST) have been suspended.

Norway Coronavirus Tax Relief

Norway has reduced the employee tax rate by 4 points for two months. Corporations will be allowed to deduct losses in 2020 to reduce tax payments in the two previous years. The reduced VAT rate (12 percent) will be temporarily lowered to 7 percent (originally lowered to 8 percent); this change is retroactive to January 1 and will apply until October 31. Tax payments for VAT and advanced tax payments for other businesses will be postponed. The first VAT return payments are deferred from April 10 until June 10. Net wealth tax payments will be reduced for those who own stock in loss-making companies. The tax on air passenger flights is suspended from January 1 to October 31.

Poland Coronavirus Tax Relief

Poland has extended the deadline for the new SAF-T VAT regime from April 1 to July 1. The government is also allowing accelerated VAT refunds. The personal income tax deadline is extended by one month, and businesses can apply to defer social security contributions for three months. Poland is offering VAT filers to apply for a liabilities write-off or a payment deadline extension. The corporate income tax filing and payment deadline has been extended until May 31.

In addition to these changes, there is a roughly PLN 212 billion relief package aimed at supporting the economy and the health-care system.

Portugal Coronavirus Tax Relief

Portugal has suspended social security contribution payments for companies affected by the coronavirus outbreak. VAT and withholding tax payment schedules can be adjusted for businesses with less than €10 million in revenues in 2018 or a 20 percent reduction in revenues.

Romania Coronavirus Tax Relief

Romania will suspend most tax audits, extend the deadline for an annual profits tax from March 25 to April 25, and speed up VAT refunds to help businesses. The government has declared that taxes with deadlines after March 21 will not be subject to penalties and late-payment interest until 30 days after the end of the state of emergency.

Singapore Coronavirus Tax Relief

Singapore has deferred corporate income tax payments for April-June for three months so payments that were due in April are now due in July. Property tax rebates will be given to commercial properties affected by the coronavirus, such as hotels, restaurants, and stores. Qualifying employers can get a grant of up to 25 percent of their gross monthly payroll from October to December 2019, capped at \$4,600 per employee per month.

Slovakia Coronavirus Tax Relief

In Slovakia, companies and individuals will receive an automatic tax payment deadline extension of up to three months.

Slovenia Coronavirus Tax Relief

Slovenia has adopted measures to delay tax filings and payments for businesses. Businesses can apply for a tax deferral of up to two years or for a 24-month installment plan.

South Africa Coronavirus Tax Relief

South Africa is providing relief for individuals with earnings below R6,500 by giving up to R500 per month for the next four months in a tax subsidy. The government is allowing for accelerated payments of employment tax incentive reimbursements from twice-yearly to monthly. Small businesses can delay 20 percent of pay-as-you-earn liabilities for four months.

South Korea Coronavirus Tax Relief

South Korea is cutting its VAT for small businesses, giving tax boosts for consumers replacing their cars early, and providing a new tax deduction on personal credit card spending. The corporate tax returns filing deadline is extended from April 4 to May 4. Measures for individual taxpayers include increased income deductions from March 1-June 30 and reduced VAT liability for one year for revenue less than KRW 48 million per year.

Spain Coronavirus Tax Relief

Spain approved tax relief for small and medium-sized businesses and self-employed persons. Those businesses will be able to defer income, corporate, and VAT tax obligations for six months without interest. Spain has also adopted a proposal in response to the coronavirus that allocates a €100 billion line of guarantees for businesses.

Sweden Coronavirus Tax Relief

Sweden is allowing businesses to reclaim January-March's tax payments for one year and then repay them. Sick leave will be paid by the government for April and May. Sweden's aid package is SEK 300 billion. Businesses' VAT payments and other outstanding taxes have been delayed by 12 months.

Switzerland Coronavirus Tax Relief

Switzerland has adopted an aid package of CHF 42 billion for funding reduced work schedules and loan programs for businesses. Within the aid, small and medium-sized businesses will be able to receive loans of up to CHF 20 million. Businesses' social security contribution payments are deferred interest-free. The late penalty and interest fees associated with VAT will be waived through the end of 2020, although taxpayers must apply to have their payments deferred. The federal income tax payment is delayed; specific delays are determined by the Cantons.

Thailand Coronavirus Tax Relief

Thailand's cabinet approved cutting the income withholding tax from 3 percent to 1.5 percent for six months, from April to September. It also doubled the tax benefit for investment in long-term mutual funds to THB 412,000.

Thailand is also extending the personal income tax filing deadline from June 30 to August 31, and direct aid will be given to 3 million people, at THB 5,000 per month for three months.

Tunisia Coronavirus Tax Relief

Tunisia has extended the corporate income tax return filing deadline to May 31 except for companies paying the 35 percent tax rate. Tax audits have been suspended to May 31. VAT credit refunds will be accelerated, and payments will be made within 1 month. Companies that are affected by the coronavirus may have their tax debt postponed for up to seven years.

Turkey Coronavirus Tax Relief

Turkey will give a six-month deferral on some tax and insurance premium payments to certain sectors, including retail and transportation. VAT declarations and payments that were normally due March 26 are extended to April 24. VAT returns for April-June have been delayed until June 27 for several sectors. The VAT on domestic air travel will be cut from 18 percent to 1 percent. Minimum payouts for pensioners will be increased and the government will make an early annual bonus payment to pensioners.

Uganda Coronavirus Tax Relief

Uganda is allowing companies whose accounting year ends in September a two-month extension to file corporate tax returns. Individuals will benefit from a tax deadline extension for VAT, PAYE, local excise duty, and withholding; payments that were due March 15 became due March 31, and payments that are due April 15 are now due April 30.

Ukraine Coronavirus Tax Relief

Ukraine is exempting imported medicine and medical devices and equipment needed to prevent the spread of coronavirus from its VAT. Penalties and interest for late submission of the unified social tax payment or its report are waived from March 1 until April 30. Late payment interest fees for VAT are waived until the end of May.

United Kingdom Coronavirus Tax Relief

The **United Kingdom** waives business property taxes for retail, leisure, and tourism for 12 months to reduce the economic impact of the coronavirus outbreak. It also **paused** plans to expand rules on the employment status of contractors in the private sector. These so-called “off-payroll” rules aim to ensure that contract workers pay about the same tax and social security contributions as regular private sector employees. The UK is also expanding the Universal Credit and working tax credit by £1,000 and delaying £30 billion in VAT payments until June 30.

Self-employed taxpayers can receive up to 80 percent of their average earnings, capped at £2,500 per month. This should benefit 95 percent of the self-employed earning up to £50,000 per year who have filed a tax return for 2019.

Phase two of **Making Tax Digital** has been delayed from April 1 2020 to April 1 2021; businesses have another year to have digital links available for VAT.

United States Coronavirus Tax Relief

The **United States** has adopted a short-term expansion of paid sick leave. Tax payments have also been delayed from April 15 to July 15 without interest or penalties. The **CARES Act** legislation provides a \$1,200 tax rebate for individuals and \$2,400 for joint filers, with an additional \$500 per child. Among many tax measures for businesses, the act includes a refundable payroll tax credit and allows employers to delay paying Social Security payroll taxes, with half-payment due December 31, 2021 and the rest due December 31, 2022. Also, \$150 billion in relief funds will be distributed among the states.