

## SELF EMPLOYED TAX CREDITS

### Paid Sick Leave Credit Equivalent

The sick leave credit for a self-employed person for a taxable year will equal the number of days, up to an aggregate of ten for all taxable years, that the individual is unable to perform services in any trade or business described in Section 1402 of the IRC for a reason that would qualify him or her for paid sick leave under the Emergency Paid Sick Leave Act if he or she were an employee, multiplied by the lesser of:

\$511 if the individual is caring for himself or herself or \$200 if caring for another; or

100% of the average daily self-employment income of the individual for the taxable year if the individual is caring for himself or herself or 67% if caring for another.

A self-employed individual's average daily self-employment income for the purpose of the above-described limitations will be calculated as an individual's net earnings from self-employment divided by 260.

If a self-employed individual receives paid sick leave or paid family leave under the Act as an employee of any employer in a taxable year, the self-employed sick leave credit will be reduced (but not below zero) dollar-for-dollar to the extent that the qualified sick leave wages received from the employer exceeds \$5,110 if the leave is taken to care for oneself or \$2,000 for leave taken to care for another.

### Paid Family Leave Credit Equivalent

The credit self-employed individuals who would, if employees, qualify for paid family leave is calculated at a daily rate equal to the lesser of \$200 or 67% of average daily self-employment income for the taxable year for up to a maximum of 50 days in a taxable year. The credit is reduced (but not below zero) dollar-for-dollar to the extent that a self-employed individual receives qualified paid family leave under the Act from an employer in an amount in excess of \$10,000.

### Applicable Period for Tax Credits

Each of the credits for employers and self-employed individuals will only be available for days falling within a period commencing on a date to be selected by the Secretary of the Treasury to be within fifteen days of enactment of the Act and ending on December 31, 2020.