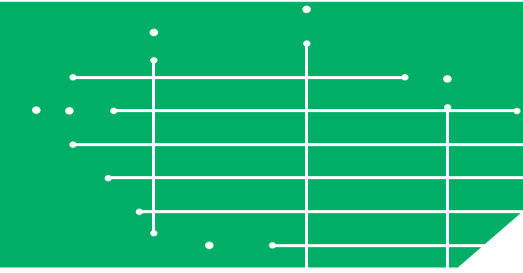


CARES Act

Potential Action Items Resulting from Statutory Changes re: Covid-19



The schedule below provides a list of questions each CFO should consider when analyzing the relevant tax changes as a result of the Coronavirus Aid, Relief and Economic Security Act (CARES) Act. The list is not exhaustive, but provides a starting point to determine a company's eligibility to receive short term liquidity from NOL carrybacks, an increase to the interest limitation, payroll tax deferral, etc. The tax provisions of the CARES Act will need to be analyzed based on the facts and circumstances of the business and the grid illustrates general applicability.

Timeline	Action Item Category	Legal Structure	Relevant Tax Questions	Action Item	Timing of Cash	Other Considerations	Impact on Longview Tax Product	Potential Approach for leveraging Longview
Immediate	Payroll Tax	All	Is the company still paying payroll taxes?	Work with payroll tax provider to defer payroll taxes, as provided in the CARES Act, from current date through December 31, 2020.	Quick cash preservation through reduced payroll tax costs (employer portion of social security taxes). 50 percent deferred until December 31, 2021; and 50 percent deferred until December 31, 2022.	(i) Consider if the Company is planning to apply for an SBA loan. If so, and the loan is forgiven, then the Company is not eligible for this deferral.	None	HRM/Payroll/GL
Immediate	Payroll Tax	All	Is the company still paying for employee wages even though the business was required to be shut down due to a government mandate?	Consider whether a business qualifies for the Employee Retention and/or FMLA and Paid Sick Leave related payroll tax credits.	Potentially quick cash refunds as this credit is for all payroll taxes. The deferral of payroll taxes (above) covers the employer portion of social security taxes so the cash benefit may be deferred as those taxes can be deferred until 2021/2022.	(i) The tests are related to whether or not the Company was shut down as a result of the pandemic and a gross receipts test. We recommend consulting with legal counsel to evaluate qualification. (ii) Note, the Employee Retention credits are not available if a business takes a Small Business Loan.	Minimal - Likely addressed with Standard Functionality	Approach is dependant on the application of the Tax Credits, It could be handled via a new Tax Credit Item or Permanent difference
Immediate	Tax Attributes & Tax Refunds	C corporation	Did the company have a net operating loss for 2018 or 2019?	Pull 2018 Tax Return and 2019 Tax Return or Tax Provision (if 2019 return is not ready yet) to determine if there are NOLs or tax credit (AMT, R&D, Foreign Tax Credit, etc.) carryforward in 2018 or 2019. In addition, review if the Company placed any qualified improvement property in service during 2018 or 2019 that may now qualify for bonus depreciation.	Within 90 days of filing the refund claim for some portion of the NOL carryback (related to the 2019 NOL carryback).	(i) Analyze the agreements to determine whether prevented from carrying back to prior ownership periods. May require negotiations with the sellers. (ii) If a carryback will include a pre-acquisition tax year, current legal entity and debt structure may matter. The entire 2018-2020 NOL may not be available to carryback - engage with advisors to understand what can potentially be carried back and if there are options to restructure to maximize this benefits. (iii) Note, carryback of a 2018 NOL will require amending tax returns, which may extend the timing of a refund. (iv) Evaluate accounting methods to determine whether to amend returns in order to accelerate deductions and defer income recognition.	Minimal - Likely addressed with Standard Functionality	Approach is dependant on how the customer wishes to handle the 2018 Return that is already been filed. It is likely that the 2018 impact could just be handled as part of the 2019 Return to Provision calculation as an adjustment. Longview recommends that the customer reach out to their CSM to coordinate a call if they have any questions.
Immediate	Tax Attributes & Tax Refunds	C corporation	Did the company have taxable income in the 2013-2017 and paid federal income taxes?	Pull/request and review 2013-2017 tax returns to understand NOL and tax credit carryback capacity (how much tax was paid in those periods which could be refundable).				
Immediate	Tax Attributes & Tax Refunds	C corporation	Was a company acquired by Customer in the 2013 - current time period?	Pull or request copies of all applicable purchase agreements for business acquired during the 2013-current time period to determine ability to go back to 2013-2018 tax year.	Generally, within 90 days of filing the refund claim.	(i) If business was acquired subsequent to 2013, pull the purchase agreement and review the provisions regarding ability to amend pre-acquisition returns and/or carryback NOLs; and ii) analyze whether the buyer valued tax attributes, including transaction tax deductions, in the bid.	None	This would be addressed through review of legal contracts. What historical activity from acquisition is contained in Longview may assist in extracting NOL/Tax Credit information
Immediate	Tax Attributes & Tax Refunds	C corporation	Were any Genstar portfolio companies sold where there was a NOL in 2018 or 2019?	Review exited investments: Amending final pre-close 2019 returns with the increased interest limitation could yield cash tax refunds. Also NOLs for 2018 and 2019 that were assumed by a buyer in a sale could theoretically be carried back now.		(i) Contractual provisions have to be reviewed & benefits of the carrybacks may need to be negotiated between parties.		
Immediate	Tax Attributes & Tax Refunds	C corporation	Was the company's interest deduction limited in 2019?	Recalculate 2019 taxable income with a 50 percent limitation instead of a 30 percent limitation of Adjusted Taxable Income.	Potentially within 90 days if it increases a 2019 NOL, otherwise July 15, 2020 when federal income tax payments are now due. Will be benefits in 2021 related to 2020 tax returns as well.		None	This could be handled via standard functionality, by changing the deduction limitation on a Book Tax Difference.
Immediate	Tax Attributes & Tax Refunds	C corporation	Did the company have taxable income in 2019?	Recalculate 2019 taxable income with a 50 percent limitation instead of a 30 percent limitation of Adjusted Taxable Income. If there is a resulting net operating loss, analyze carrying back the loss to the 2013-2018 period.			None	This could be tested with the Provision Scenario functionality

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Immediate	Tax Attributes & Tax Refunds	C corporation	Did the company make estimated tax payments in 2019?	If so, determine whether a refund of 2019 estimated tax payments is needed based on the updated 2019 taxable income.	If filed by April 15, then a refund should generally be received within 45 days.		None	Longview can assist with the reporting and customer could use Longview Scenario functionality to model changes
Immediate	Tax Attributes & Tax Refunds	C corporation	Did the company have an overpayment of taxes in 2019 that is being applied to 2020?	If so, determine whether a refund of the 2019 overpayment should be refunded based on the updated 2019 taxable income.			None	Longview can assist with the reporting and customer could use Longview Scenario functionality to model changes
Immediate	Tax Payments	All	Are there any ongoing income or non-income tax payments due?	Defer payment of US Federal, State, and Foreign Income and Non-Income Taxes, as allowable under local law.	Short-term for some, who would otherwise be making most federal income tax payments on April 15, 2020. Allows a deferral until July 15.	(i) Review options in each jurisdiction. Visit www.Taxand.com for details on response and government assistance around the globe.	None	Handled through potential updates to TARP payment schedule.
Immediate	Cash Infusion (Small Business Loan)	All	Does the Company require extra cash to support ongoing operations?	Consider whether a business can qualify for a forgivable Small Business Loan. The 500 employee limitation can be an issue, especially in a private equity context, but certain provisions have been loosened to allow for more businesses to qualify.	Immediate loans for qualifying businesses, which can be forgiven.	(i) Questions remain on the ability of private equity owned business to qualify for these loans due to attribution rules for the 500 employee test, but clarity should be available soon on that point. Note that companies which take Small Business Loans will not be eligible for the Employee Retention credits.	None	Longview Customer profile under 500 employees is very small. Not a Tax category - potentially could be part of a Longview Close customer's analysis.
Immediate	Cash Infusion (Small Business Loan)	All	Does our existing debt profile allow for any incremental debt?	Consider relevant provisions of credit agreements to ensure you can incur incremental debt in the form of a Small Business Loan. There may be arguments the Small Business Loans are not actually debt though as they are fully forgivable, and may be forgiven prior to covenant testing.		(i) If credit agreement issues exist, consider structural options to take the Small Business Loan in an entity that sits outside the credit group, and then cash can then potentially be contributed into the credit group (which would include the operating entities which need the cash).	None	Longview Customer profile under 500 employees is very small. Not a Tax category - potentially could be part of a Longview Close customer's analysis.
Near Term	Tax Attributes	All	Is the company going to restructure in or out of bankruptcy with its existing creditors?	If a debt restructuring/equity for debt exchange may occur in the near future, consider how to protect tax attributes to avoid inadvertently eliminating these valuable attributes, and whether to restructure if in flow-through form.	Future cash savings opportunity.		None	Customer can leverage Longview to pull current status of Tax Attributes.
Near Term	Transfer Pricing	All	Does the company have tax liabilities in foreign jurisdictions?	If a business has foreign subsidiaries, consider your Transfer Pricing.		(i) It's very possible to end up with a global economic loss but cash taxes in limited risk subsidiaries.	Minimal	Customers that leverage Longview for Operational Transfer Pricing could model the impacts of changes in Transfer Pricing Strategy
Near Term	Cash Infusion (Other Govt. Loans)	All	Does the Company require extra cash to support ongoing operations?	Consider whether a business may qualify for other government loan programs, outside of the Small Business Loan, to the extent liquidity is needed and there are not reasonable alternative sources of financing.	Specifics TBD post passage of the bill, but likely not immediate. Application & qualification will be required.		None	Gov't Loans Impact: None
Long Term	Tax Refunds	C corporation	Is the Company projecting a taxable loss for 2020?	Focus on the 2020 tax return: (i) Consider if might make sense to close the 2020 tax year early, to be able to carry the 2020 NOL back more quickly. (ii) Maximize the 2020 NOL to maximize the cash refund (to the extent of carryback capacity). This could include assessment of tax accounting method changes (deferral of income, acceleration of expenses), assessment of bad-debt and worthless stock deductions, bonus depreciation, etc.			None	Customer could use Longview Scenario functionality to model changes and determine if they are projecting a loss and performing tax planning accordingly

Timeline	Action Item Category	Legal Structure	Relevant Tax Questions	Action Item	Timing of Cash	Other Considerations	Impact on Longview Tax Product	Potential Approach for leveraging Longview
Long Term	Tax Planning	All	<p>Has the Company's value significantly declined in the near term as a result of the economic climate?</p> <p>Are there any tax planning considerations previously contemplated that now make sense?</p>	<p>Consider planning opportunities to take advantage of declining valuations & tax law changes, such as taxable spins.</p>	<p>Future cash savings opportunity.</p>	<p>(i) Declining valuations & short term tax law changes can create material planning opportunities to create long-term value. (a) Taxable spin-off transactions & Freeze Transactions (b) Legal entity restructuring to minimize administrative costs and tax costs (c) Supply chain restructurings & Transfer pricing (d) Out-from under planning to allow for more tax-efficient add-ons & exit, etc.</p>	<p>Minimal</p>	<p>Potential impacts of changes in Tax Planning & Transfer Pricing strategy could be addressed through Longview Scenario functionality.</p>