The rapid spread of COVID-19 across the globe has created large-scale economic distress and halted the mechanisms of exchange and business activity–leaving an extensive trail of damage to the world's economic infrastructure.

Governments and legislators reacted immediately with relief packages. They likely will continue to make additional economic adjustments to stabilize the weakening economy by introducing temporary monetary measures and tax relief provisions. While the intent is to deliver viable support, businesses have to brace for the looming, unforeseeable consequences that will have both short and long-term

There are plenty of resources tracking legislative adjustments at the U.S. federal and state levels as well as internationally. However, as tax and finance executives parse economic relief and business continuity, they will also need to make crucial clarifications to clearly understand the positive and negative impacts, subsequent spillovers to their business and industry, as well as the broader economy. There is little doubt that this upheaval will trigger a multilayered re-start of the global economy.

During the recent legislative process, the so-called economic "stimulus" proposal was later relabeled as an economic stabilization bill—a subtle but helpful clarification during a crisis rife with uncertainty and risk. In times of financial free-falling, the stimulus must come after the stabilization, driving the restoration of a functional market balance.

Right now, facing an unprecedented economic and social crisis, governments are focused on slowing the downfall. It is essential to understand that when economic actions are taken quickly and under pressure, they can produce harmful side effects and deadweight loss, which can precipitate or even accelerate the likelihood of a steeper recession or an ensuing depression.

While the long-term implications of major policy shifts can be forecasted with a fair amount of accuracy, the lag time—when results materialize—is much less certain and dependent on a range of interrelated economic, trade, social and legal forces. A basic estimate of foreseeable lag time or intervals can help companies prepare to mitigate negative impacts before they occur.

Sweeping economic measures arising from bailouts, debt and deficit financing will come with certain subsequent conditions and will almost always cause major future implications—some of which can be beneficial and others that are problematic. For example, a massive tax cut today, unless specifically funded otherwise, creates the need for state and federal governments to increase their revenue streams down the

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