

Program has been extended until **March 31, 2021**



# PAYCHECK PROTECTION PROGRAM

## TAX ISSUES RESOLVED

Gross income does not include any forgivable amount of the PPP loan.

Deductions are allowed for deductible expenses paid for by any forgiven amount from PPP loan.

Repeals the requirement that PPP borrowers deduct the amount of any EIDL advance from their PPP forgiveness amount.

Act extends the availability of PPP loans to first-time borrowers that meet the eligibility criteria of the original PPP, as amended by the PPP Flexibility Act.

## \$284.45 BILLION APPROPRIATED IN LATEST ROUND OF PPP INCLUDES A NUMBER OF CARVE-OUTS:

\$35 billion set aside for first-time borrowers.

\$25 billion is set aside for smaller organizations with 10 employees or less or loans less than \$250,000 in low-income areas.

\$15 billion in guarantees for CDFI's and MDI's to participate in the program.

Borrower may select their covered period end date, between 8 and 24 weeks after origination

## ELIGIBLE USES FORMALLY EXPANDED

Covered operations (software, tech, human resources, etc), covered property damage (associated with 'disturbances' happening during 2020), covered supplier costs (supplies, inventory, etc), covered health and safety expenses (PPE, testing, etc) were further clarified as eligible uses of PPP loans and eligible for forgiveness.

Benefits such as life insurance, disability insurance, vision and dental were also clarified to be eligible covered expenses.

## FORGIVENESS SIMPLIFIED

Loans less than \$150,000 require simple certification in the form of a one-page letter from the borrower to the lender stipulating basic criteria and providing simple, high-level details.

## ESTABLISHES 2ND DRAW CRITERIA

Max loan amount of \$2 million.

For organizations with less than 300 employees or up to 500 employees for organizations with multiple locations.

Must have used or will use the full amount of first PPP loan.

Must show at least a 25% reduction in revenue in the first, second, or third quarter of 2020 as compared to the same period in 2019; applications submitted on or after January 1, 2021, may use a fourth quarter 2020/2019 comparison.

60/40 cost allocation between payroll and non-payroll costs to receive full forgiveness remains the same for 2nd draw.

PPP borrowers with a NAICS code 72 (Hotels and Restaurants) have increased borrowing ability up to 3.5 times their average monthly payroll.