



Covid Relief Measures

Fix Tax Concerns with Forgiven PPP Loans and EIDL Advances

The law clarifies numerous provisions including:

- Removes the requirement for PPP borrowers to deduct the amount of their EIDL advance from their PPP forgiveness amount.
- Gross income does not include any amount that would otherwise arise from the forgiveness of a Paycheck Protection Program (PPP) loan
- Gross income does not include forgiveness of certain loans, emergency EIDL grants, and certain loan repayment assistance.
- Deductions are allowed for otherwise deductible expenses paid with the proceeds of a PPP loan that is forgiven, and that the tax basis and other attributes of the borrower's assets will not be reduced as a result of the loan forgiveness.

Second Round of PPP

The law includes a second PPP loan of up to \$2 million for smaller, harder hit businesses.

Businesses must:

- Employ no more than 300 people,
- Demonstrate loss of 25% gross receipts in any quarter in 2020 when compared to the same quarter in 2019, and
- Use first PPP in full prior to second loan.

Expansion of Eligible Expenses for PPP

The law makes the following expenses allowable and forgivable uses for Paycheck Protection Program funds:

- Operations expenditures such as software, cloud computing, and other human resources and accounting needs,
- property damage costs due to public disturbances that are not covered by insurance,
- supplier costs such as expenditures to a supplier pursuant to a contract, purchase order, or order for goods in effect prior to taking out the loan that were essential to the recipient's operations at the time at which the expenditure was made
- supplier costs of perishable goods can be made before or during the life of the loan.
- worker protection expenditure. Personal protective equipment and adaptive investments to help a loan recipient comply with federal health and safety guidelines or any equivalent State and local guidance related to COVID-19 during the period between March 1, 2020, and the end of the national emergency declaration.



Simplified Application Process

- The law creates a simplified application process for loans under \$150,000; within 24 days of enactment of the law

Outreach to Women and Minorities

The law maps out a targeted approach to help women and minorities through:

- \$25 million for the MBDA's Minority Business Development Centers program to help minority business enterprises (MBEs) respond to COVID-19 and identify and access local, State, or Federal government assistance.
- Approximately \$20 Billion in targeted funding for eligible entities located in low-income communities through the EIDL Advance program
- Set-asides within the Paycheck Protection Program including:
 - For lenders:
 - A \$15 billion set-aside for loans issued by mission-lenders, including community development financial institutions (CDFIs), minority-depository institutions (MDIs), and SBA 504 and Microlenders,
 - A \$15 billion set-aside for certain smaller depository institutions, such as credit unions and farm credit institutions.
 - For borrowers:
 - \$35 billion for borrowers who were unable to apply for an initial PPP loan,
 - \$15 billion is for smaller borrowers with up to 10 employees or loans of up to \$250,000 in low-income areas.
 - \$25 billion for second PPP loans for smaller borrowers with up to 10 employees or loans of up to \$250,000 in low-income areas.

Eligible small businesses and nonprofits seeking initial PPP and second draw loans should contact an eligible PPP lender. A list of approved lenders is available on SBA's website [here](#).

Affordable, Reliable Broadband

The law:

- Establishes a temporary Emergency Broadband Benefit program to help qualifying low-income individuals and families to get connected or remain connected to internet access for the duration of the public health emergency.



- Directs the Federal Communications Commission to collect more data and develop a broadband map depicting the availability of broadband services throughout the country. The map will be used to target federal broadband resources to areas lacking service to ensure all Americans are connected.

Protect Earned Income Tax Credit and Child Tax Credit

The law:

- Allows taxpayers to refer to earned income from the immediately preceding year for purposes of determining the Earned Income Tax Credit (EITC) and the Additional Child Tax Credit (ACTC) in tax year 2020.

Extend and Expands Unemployment Insurance

The law:

- Extends Pandemic Unemployment Assistance (PUA) to March 14, 2021 and allows individuals receiving benefits as of March 14, 2021 to continue through April 5, 2021, as long as the individual has not reached the maximum number of weeks.
- Increases the number of weeks of benefits an individual may claim from 39 to 50.
- Provides for appeals to be at the state level.
- Provides states authority to waive overpayments made without fault on the part of the individual or when such repayment would violate equity and good conscience.
- Provides a transition rule for certain individuals transitioning between PUA and the Pandemic Emergency Unemployment Compensation program.
- Limits payment of retroactive PUA benefits to weeks of unemployment after December 1, 2020.
- Restores the Federal Pandemic Unemployment Compensation (FPUC) supplement to all state and federal unemployment benefits at \$300 per week, starting after December 26 and ending March 14, 2021.
- Extends Pandemic Emergency Unemployment Compensation (PEUC) to March 14, 2021 and allows individuals receiving benefits as of March 14, 2021 to continue through April 5, 2021, as long as the individual has not reached the maximum number of weeks.
- Increases the number of weeks of benefits an individual may claim through the PEUC program from 13 to 24.
- Provides rules for states about sequencing these benefits with other unemployment benefits.

Provide Additional Recovery Rebate



The Law:

- Provides a refundable tax credit in the amount of \$600 per eligible family member. The credit is \$600 per taxpayer (\$1,200 for married filing jointly), in addition to \$600 per qualifying child. The credit phases out starting at \$75,000 of modified adjusted gross income (\$112,500 for heads of household and \$150,000 for married filing jointly) at a rate of \$5 per \$100 of additional income.

Eviction Moratorium

The Law:

- This section extends the CDC eviction moratorium until January 31, 2021.