

The program will start shortly.

Stimulus Program Overview

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Stimulus Program Overview Agenda

- Unemployment Extension
- Covid Related Tax Relief
- PPP Second Draw
- SBA Debt Relief
- Shuttered Venue Relief
- Targeted EIDL Advance
- EIDL Advance PPP Deduction Repeal

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Unemployment

Definitions

– Pandemic Unemployment Assistance (PUA):

Makes it possible for sole proprietors, independent contractors, gig workers, etc. to qualify for unemployment

– Federal Pandemic Unemployment Compensation (FPUC):

Supplemental unemployment payments

– Pandemic Emergency Unemployment Compensation (PEUC):

Enable individuals whose unemployment was about to expire in April 2020 to be extended.

Unemployment

Pandemic Unemployment (PUA)

- Extended to 03.14.21
- Increased # of weeks from 39 to 50
- Individuals receiving benefits as of 03.14.21 can continue to 04.05.21 if not at maximum # of weeks
- Limits retroactive payments after 12.01.20

Federal Pandemic Unemployment Compensation (FPUC):

- Restores the supplemental payments at \$300/week from 12.26.21 to 03.14.21

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Unemployment

Pandemic Emergency Unemployment Compensation (PEUC):

- Increases the number of weeks from 13 to 24
- Extends benefits to 03.14.21

- Individuals receiving benefits as of 03.14.21 can continue to 04.05.21 if not at maximum # of weeks
- Provides guidelines for transitioning from PUA to PEUC

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Covid Related Tax Relief

Paycheck Protection Program (PPP)

- Gross income does not include any amount that would otherwise arise from the forgiveness of a PPP loan
- Clarifies that deductions are allowed for otherwise deductible expenses paid with the proceeds of a PPP loan that is forgiven
- The tax basis and other attributes of the borrower's assets will not be reduced as a result of loan forgiveness

Covid Related Tax Relief

Emergency EIDL Grants

- Gross income does not include Emergency EIDL Grants
- Clarifies that deductions are allowed for otherwise deductible expenses paid with the proceeds of an Emergency EIDL Grant
- The tax basis and other attributes of the borrower's assets will not be reduced as a result of receiving an Emergency EIDL Grant

Covid Related Tax Relief

Deferred Payroll Taxes

- Extends repayment period through 12.31.21
- Penalties and interest are deferred to 01.01.22

Paid Sick and Family Leave Credits

- Extends the refundable payroll tax credits for paid sick and family leave, enacted in the Families First Coronavirus Response Act, through March 2021
- Modifies the tax credits so that they apply as if the corresponding employer mandates were extended through the end of March 2021

Paycheck Protection Program (PPP) 2nd Draw

- Allows for a second loan under the Paycheck Protection Program (PPP)
- Re-opens the program for 1st Draw Applicants
- Increases the loan calculation for businesses in the 72 NAICS Code (Accommodations and Food Service) from 2.5 average monthly payroll to 3.5 average monthly payroll (2nd Draw loans only)
- Streamlines the forgiveness process for PPP loans of less than \$150K

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Paycheck Protection Program (PPP) 2nd Draw

– Modifies the expenses eligible for forgiveness to include:

– **Covered operations expenditures**

Payment for any software, cloud computing, and other human resources and accounting needs.

– **Covered property damage costs**

Costs related to property damage due to public disturbances that occurred during 2020 that are not covered by insurance.

– **Covered supplier costs**

Expenditures to a supplier pursuant to a contract, purchase order, or order for goods in effect prior to taking out the loan that are 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.

– **Covered 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.

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Paycheck Protection Program (PPP) 2nd Draw

– Eligibility:

- Maximum loan size of \$2 million
- Have less than 300 employees
- Have used or will use the full amount of their first PPP loan
- Demonstrate a 25% reduction in gross receipts in the first, second or third quarter of 2020 relative to the same 2019 quarter

Applications submitted after January 1, 2021 are eligible to utilize the gross receipts for 2020

Paycheck Protection Program (PPP) 2nd Draw

We are hosting a webinar later this morning (10:00 a.m.) that will go into significant detail for the PPP 2nd Draw program.

Registration is open at www.gotostage.com/channel/sbdc

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SBA Debt Relief Program

- Resumes the repayment of principal and interest on small business loans guaranteed by the SBA under the 7(a), 504 and microloan programs
- All borrowers with qualifying loans approved by the SBA prior to the CARES Act will receive an additional three months of P&I, starting in February 2021. Going forward, those payments will be capped at \$9,000 per borrower per month.

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SBA Debt Relief Program

- After the three-month period described above, borrowers considered to be underserved will receive an additional five months of P&I payments, also capped at \$9,000 per borrower per month.
 - Borrowers with SBA microloans or 7(a) Community Advantage loans
 - Borrowers with any 7(a) or 504 loan in the hardest-hit sectors, as measured by the severity of sector-wide job losses since the start of the pandemic. They include food service and accommodation; arts, entertainment and recreation; education; and laundry and personal care services.
- SBA payments of P&I on the first 6 months of newly approved loans will resume for all loans approved between February 1 and September 30, 2021, also capped at \$9,000 per month.

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Shuttered Venue Relief

Please note: the SBA has not issued guidance on the Shuttered Venue Relief program. Once the guidance is issued, we will offer a separate webinar on the program.

–Eligible Industry:

- Live Venue Operators or Promoters
- Theatrical Producers
- Live Performing Arts Organization Operators
- Museum Operators
- Motion Picture Theater Operators
- Talent Representatives

–Demonstrate a 25% reduction in revenues

Shuttered Venue Relief

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- Set-aside of \$2 billion for eligible entities that employ not more than 50 full-time employees (60 days)
- The SBA may make an initial grant of up to \$10 million dollars to an eligible person or entity and a supplemental grant that is equal to 50 percent of the initial grant.

Shuttered Venue Relief

Please note: the SBA has not issued guidance on the Shuttered Venue Relief program. Once the guidance is issued, we will offer a separate webinar on the program.

- Use of funds: payroll costs, rent, utilities, and personal protective equipment.
- In the initial 14-day period of implementation of the program, grants shall only be awarded to eligible entities that have faced 90 percent or greater revenue loss.
 - In the 14-day period following the initial 14-day period, grants shall only be awarded to eligible entities that have faced 70 percent or greater revenue loss

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Targeted EIDL Advance

Please note: the SBA has not issued guidance on the Targeted EIDL Advance program. Once the guidance is issued, we will offer a separate webinar on the program.

- Provides additional targeted funding for eligible entities located in low-income communities through the EIDL Advance program.
- Makes entities in low-income communities that received an EIDL Advance under the CARES Act eligible to receive an amount equal to the difference of what the entity received under the CARES Act and \$10,000.
- Provides \$10,000 grants to eligible applicants in low-income communities that did not secure grants because funding had run out.

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EIDL Advance PPP Deduction Repeal

- Repeals section of the CARES Act, which requires PPP borrowers to deduct the amount of their EIDL advance from their PPP forgiveness amount.
- The Administrator shall issue rules that ensure borrowers are made whole if they received forgiveness and their EIDL was deducted from that amount.

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Questions?

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For assistance:

Existing clients:

Please e-mail and/or call your advisor to schedule an appointment.

Kate Baker

Greg Chanese

Emily Loughlin

Jen Kilcoyne

Matt Hosek

Matt Masterson

Nora Reynolds

Tom Reynolds

Janet Tanguay

Walter Burke

New Clients:

Go to www.nysbdc.org, click on Make an Appointment, and submit the form to have an advisor assigned to assist you.

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