



COVID Relief

Video update 1/18/21

Presented By
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A new COVID relief package was signed on 12/27/2020.

This package contains provisions for individuals and businesses.

Notable is that there is an additional round of Paycheck Protection Program (PPP) funding.



\$600 checks have been issued to each eligible individual.

- The income limit to receive these checks is \$75k. (\$150k for Joint, \$112.5k for HOH)
 - Every \$100 earned above this limit reduces your check by \$5.
- Checks are based on 2019 tax returns.
 - If your income changed in 2020 you can claim this check as a tax credit.
- This will not be considered taxable income.



Additionally, the \$300 federal unemployment has been extended through the middle of March 2021.

The federal eviction moratorium has also been extended until the end of January.

There have been calls of \$2,000 checks; the Biden administration has proposed an additional \$1,400 payment in his plan.



- **Businesses can now deduct eligible expenses (paid for using PPP funds) for tax purposes.**
- PPP forgiveness is NOT reduced by Economic Injury Disaster Loan (EIDL) amounts.
 - If you got forgiveness which was reduced by EIDL, SBA is paying lenders back, which will remit the amount to you.
- Additionally, any business that look an EIDL loan less than \$10,000 can request up to the full amount. SBA will contact you.



A second round of PPP loans are available to qualified businesses.
The qualifications have changed.

Businesses must have:

- Received a round one PPP loan and used those funds in full.
- Demonstrated a 25% revenue loss for any quarter in 2020 *compared to the same quarter* in 2019.
- Have 300 or fewer employees
 - Restaurants and lodging businesses may have 300 or fewer employees per location.



The covered period for the next round of the PPP is through 3/31/21.

- Most qualified businesses will receive 2.5 times monthly payroll.
 - Restaurants and hospitality businesses qualify for 3.5 times.
- The maximum loan amount is \$2 million.
- PPP borrowers of less than \$150,000 can use a simplified form to streamline forgiveness.



Still 60% payroll requirement. In addition to mortgage, rent, and utilities, Round 2 PPP funds can be used for:

- Operation expenses (business software)
- Supplier costs (for perishable goods)
- Property damage costs (related to looting or vandalism due to public disturbances)
- Worker protection expenses (COVID safety improvement)



Meals and entertainment (normally 50% deductible) are 100% deductible for 2021 and 2022.

The employer credit for paid sick and family leave has been extended to March 31, 2021.

The payback period for deferred payroll taxes has been extended to December 31, 2021.

- *We did not recommend opting into payroll tax deferral.*



Extended through June 30, 2021; retroactive to March 2020.

- In 2020, if a business had revenue in one quarter that was 50% less than the same quarter in 2019, there is a 50% credit for up to \$10,000 in wages per employee.
- In 2021, if revenue in one quarter is *20% less* than the same quarter in 2019, the credit is up to *70% of wages*, up to a maximum of \$10,000 per employee *per quarter*.

You cannot apply employees' wages to the credit *and* the PPP. No double-dipping. (Generally PPP is better.)



<https://ginerisltd.com/coronavirus-updates/> has more details

We've been grateful for the opportunity to provide help to our small business clients that have been so impacted by this pandemic

If you qualify for Round 2 PPP, you should have already heard from your account manager

Reach out to them or your tax professional with questions