

Consolidated Appropriations Act, 2021

Signed into law by President
December 27, 2020

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PAYMASTER
A BETTER WAY TO PAY

For discussion purposes only.

Families First Coronavirus Response Act

Tax credit extended on Sick and Family leave wages paid through March 31, 2021.

Employer mandate was NOT extended. Optional for employers to offer.

Why not offer?

No addition of time off available to employees.

Two weeks total, between 4/1/2020 and 3/31/2021

Second Draw PPP

Second loan of up to 2.5X average monthly payroll costs up to \$2 million

Conditions;

- 300 or fewer employees.

- 25% or more decline in revenue for any quarter in 2020 compared to 2019.

- Must have spent all of first round funds before second loan is disbursed.

- Funds available until they run out.

Second Draw PPP – Lodging and Food Svcs

NAICS Sector 72 (naics.com to look up your industry code)

Second loan of up to **3.5X** average monthly payroll costs

Employee Retention Credit

Modified - previously not allowed together with PPP, now it can, retroactive for 2020

Shuttered or revenue must be down 50% in 2020 quarter compared to 2019.

50% of wages paid per employee, up to \$5,000 max credit per employee for 2020.

Extended - through June 30, 2021

Revenue must be down 20% compared to same quarter in previous year.

70% of wages paid, up to \$7,000 credit, per quarter (\$14,000 max credit 2021).

Deductibility of Expenses

IRS stated back in April 2020 that expenses paid with forgiven PPP funds were not deductible for federal income tax purposes.

Now they are!

Simplified PPP Forgiveness Process

Loans < \$150,000 -

Attest to a good faith effort to comply with the PPP loan requirements

Report the number of employees retained

No documentation needed.

Loans \$150,000 to \$2,000,000 -

Above items, plus borrower certifications

Grants for Shuttered Businesses

Live venue operators, promoters, theatrical producers, live performing arts organization operators, museum operators, motion picture theatre operators, talent representatives, and the like.

25% reduction in revenue in a calendar quarter in 2020 compared to the same quarter in 2019.

Grant can be used towards payment of payroll, certain independent contractor payments, rent, utilities, interest, certain worker protection expenses, insurance, and more.