



December 28, 2020

COVID-19 Relief Package and Omnibus Spending Bill

The Covid-19 relief and spending package has been signed into law after being signed by President Trump on Sunday night. Of the \$900 billion in COVID-19 aid and government funding through September 2021, there are key points for businesses among the 5,593 page bill:

- Businesses that received PPP loans will be able to deduct expenses associated with the loans. This applies to the first round of funding and the forthcoming second round.
- Repeals the requirement that PPP borrowers deduct the amount of any EIDL advance from their forgiveness amounts.
- Creates a simplified forgiveness application process for loans of \$150,000 or less. The SBA is required to have the simplified one-page application complete within 24 days of the bill's enactment.
- Provides approximately \$284 billion for a second round of Paycheck Protection Program funding.
 - Funding will be capped at \$2 million and for those businesses with a decrease in gross revenues by 25% or more in a single quarter in 2020. As with the first round of PPP, there will be clarification needed.
 - Includes set-asides to support first and second time PPP borrowers with 10 or fewer employees.
- Meals will be 100% deductible in 2021 and 2022.
- Tax credits for businesses to provide paid sick leave.
- Extension of the employee retention credit.
- Extension of the Pandemic Unemployment Assistance (PUA) program, with expanded coverage to the self-employed, gig workers, and others in nontraditional employment.
- Extension of the Pandemic Emergency Unemployment Compensation (PEUC) program, which provides additional weeks of federally funded unemployment benefits to individuals who exhaust their regular state benefits.

We will continue to monitor and provide additional information as it becomes available.

More information regarding COVID-19 for businesses and individuals can be found [here](#). If you have further questions or need additional guidance, please leave a message at (616) 575-3482 or email info@ehtc.com. Thank you for choosing EHTC as your strategic partner.