COVID RELIEF BILL & Funding Updates

DISCLAIMER: This document is subject to change

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Created by the Maryland Small Business Development Center

UPDATES:
PPP FUNDING TO RESUME FOR ALL LENDERS January 19th, 2021

Paycheck Protection Program 3
- Key PPP updates include: 3
- Changes to tax liabilities for PPP expenses 4
- Simplified Form for Forgiveness. 4
- PPP Additional Eligible expenses 4
  - Covered operating expenses: 5
  - Covered property damage costs 5
  - Covered supplier costs 5
  - Covered worker protection expenditure 5
  - Specific Group Insurance Payments as Payroll Costs. 5
  - EIDL Grant deductions 5
- Paycheck Protection Program Second Draw Loans. 5
  - Eligibility. 5
  - Needed Documents 7
  - How much can you get? 9
  - For accommodation and food service businesses 9
  - Forgiveness 9
  - Clarification of and Additional Limitations on Eligibility. 9
- Retroactive Changes to forgiveness 10
- Select forgiveness period 10
- Calculation of Maximum Loan Amount for Farmers and Rancher 10
- Definition of a Seasonal Employer. 10
    - Changes to Seasonal requirements 10
- Expanded PPP eligibility 11

Grants for Shuttered Venue Operators - $15 Billion 11
- Eligible Businesses: 11

Criteria 11
Amount of Grants (Initial Phase) 11
Use of Funds 14
Grantees may use award funds for: 14
Grantees may not use award funds to: 15
Grantee Recordkeeping 15

SBA Debt Relief Program ($3.5B) 16

Economic Injury Disaster Loan 16
Grants for EIDL Advances and Other Changes to Program ($20B) 16

Tax Credit Programs 17

Unemployment Benefits ($120B) 18

Enhancements of SBA Lending Programs - $2 Billion 19

Private Grants 20
BGE Energizing Small Business Grants Program 20

Paycheck Protection Program

The PPP first and second draws are now available through FCIs (which include Community Development Financial Institutions (CDFIs), Minority Depository Institutions (MDIs), Certified Development Companies (CDCs) and Microloan Intermediaries.

***First Draw PPP Loans are for those borrowers who have not received a PPP loan before August 8, 2020.**

Starting Friday January 15th at 9:00AM the loan portal will open to lenders with less than $1 billion or less in assets.

All eligible SBA lenders will be able to submit applications for first and second draws Tuesday January 19th.

Program extended to: March 31, 2021.

Authorization level for PPP: $806.5 billion.

Key PPP updates include:

- PPP borrowers can set their PPP loan's covered period to be any length between 8 and 24 weeks to best meet their business needs
- PPP loans will cover additional expenses, including operations expenditures, property damage costs, supplier costs, and worker protection expenditures;
- The Program's eligibility is expanded to include 501(c)(6)s, housing cooperatives, direct marketing organizations, among other types of organizations;
- The PPP provides greater flexibility for seasonal employees;
- Certain existing PPP borrowers can request to modify their First Draw PPP Loan amount
- Certain existing PPP borrowers are now eligible to apply for a Second Draw PPP Loan.
- Applicants can use 2019 or 2020 average monthly payroll for calculating PPP loan amount.
- Restaurant and hospitality businesses (NAICS 72) are eligible for 3.5x average monthly payroll in calculating their loan amount.
- New seasonal employee formula for calculating loan amount if applicable.
- Expands the list of qualified expenses for first- and second-draw PPP loans.

- Loan value capped at $2,000,000

Changes to tax liabilities for PPP expenses

Expenses used for PPP forgiveness are now tax deductible. Prior to this bill passing there was concern that the income from the PPP even if it was forgiven would be taxable income. However, this bill addresses that issue and past PPP funding and current funding will be deductible expenses as normal.

Simplified Form for Forgiveness.

ASK YOUR LENDER FOR THE NEW FORM (Not out yet)

Simplified Application. Creates a simplified application process for loans under $150,000 such that:

- A borrower shall receive forgiveness if a borrower signs and submits to the lender a certification that is not more than one page in length, includes a description of the number of employees the borrower was able to retain because of the covered loan, the estimated total amount of the loan spent on payroll costs, and the total loan amount. The borrower must also attest that the borrower accurately provided the required certification and complied with Paycheck Protection Program loan requirements. The SBA must establish this form within 24 days of enactment and may not require additional materials unless necessary to substantiate revenue loss requirements or satisfy relevant statutory or regulatory requirements. Additionally, borrowers are required to retain relevant records related to employment for four years and other records for three years. The Administrator may review and audit these loans to ensure against fraud.
- At the discretion of the borrower, the borrower may complete and submit demographic information for all PPP loans.
- The SBA must submit to the Senate and House Small Business Committees a report 45 days after enactment detailing their review and forgiveness audit plan to mitigate risk of fraud and provide monthly reviews and audit updates thereafter.
- Applies to loans made before, on, or after the date of enactment, including the forgiveness of the loan.

PPP Additional Eligible expenses

While you still need to use at least 60% of PPP funds on "payroll expenses," qualifying non-payroll expenses are much broader, now including payment for software, cloud services, accounting & HR, property damage due to civil unrest, PPE and Covid-prevention equipment and, importantly— supplier costs that were contracted or ordered before you got the loan or costs of perishable goods ordered before or during the life of the loan. (All these had to be paid during the forgiveness period, of course.) This should help companies that have high, non-rent and non-utility expenses.

Covered operating expenses:

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.

Specific Group Insurance Payments as Payroll Costs.

Clarifies that other employer-provided group insurance benefits are included in payroll costs. This includes group life, disability, vision, or dental insurance. Applies to loans made before, on, or after the date of enactment, including the forgiveness of the loan.

EIDL Grant deductions

If you previously received both an EIDL Advance grant and a PPP loan, you had to deduct the advance from your PPP forgiveness amount. You now no longer have to deduct that amount from forgiveness.

Paycheck Protection Program Second Draw Loans.

Creates a second loan from the Paycheck Protection Program, called a "PPP second draw" loan for smaller and harder-hit businesses, with a maximum amount of $2 million.

Eligibility.

In order to receive a Paycheck Protection Program loan under this section, eligible entities must:

- Employ not more than 300 employees
- Have used or will use the full amount of their first PPP

- Demonstrate at least a 25% reduction in gross receipts in the first, second, or third quarter of 2020 relative to the same 2019 quarter.
    - Provides applicable timelines for businesses that were not in operation in Q1, Q2, Q3, and Q4 of 2019.
- Applications submitted on or after January 1, 2021 are eligible to utilize the gross receipts from the fourth quarter of 2020.
- Eligible entities must be:
    - For profit businesses
    - Certain non-profit organizations
    - Housing cooperatives
    - Veterans' organizations
    - Tribal businesses
    - Self-employed individuals
    - Sole proprietors
    - Independent contractors, and small agricultural co-operatives.
- Ineligible entities include:
    - entities listed in 13 C.F.R. 120.110 and subsequent regulations except for entities from that regulation which have otherwise been made eligible by statute or guidance, and except for nonprofits and religious organizations;
    - entities involved in political and lobbying activities including engaging in advocacy in areas such as public policy or political strategy or otherwise describes itself as a think tank in any public document,
    - entities affiliated with entities in the People's Republic of China;
    - registrants under the Foreign Agents Registration Act;
    - entities that receive a grant under the Shuttered Venue Operator Grant program
- Businesses with multiple locations that are eligible entities under the initial PPP requirements may employ not more than 300 employees per physical location.
- Waiver of affiliation rules that applied during initial PPP loans apply to a second loan.
- An eligible entity may only receive one PPP second draw loan.
- Fees are waived for both borrowers and lenders to encourage participation.
- Cannot currently be behind on any other federal loans (includes SBA loans)

Needed Documents

The SBA has put in place new rules designed to prevent fraud. Applicants for second draw PPP funding now must submit one or more of the following documents as proof of a 25% or more revenue reduction in 2020:

- 2019 tax returns (since 2020 returns have not been filed)
- Quarterly income statements
- Bank statements

For borrowers requesting less than $150,000, these documents don't have to be submitted to their lender until they are applying for loan forgiveness.

*Note: the SBA’s definition of gross receipts includes: “all revenue in whatever form received or accrued (in accordance with the entity’s accounting method) from whatever source, including from the sales of products or services, interest, dividends, rents, royalties, fees, or commissions, reduced by returns and allowances.” Gross receipts must be aggregated with gross receipts of its affiliates.

Business owners should also expect to provide the following for both first and second draw loan applications they submit:

***Image courtesy of M&T Bank**

For Businesses With Employees
(if applicable):

- 2019 and/or 2020 IRS Quarterly 940, 941 or 944 payroll tax reports
- Payroll statement or similar documentation to demonstrate operations on 02/15/2020
- For S or C Corps: Equivalent payroll processor records or IRS Wage and Tax Statements), along with the filed business tax return (IRS Form 1120 or IRS 1120-S)
- Summary of payroll expenses for individual employees with cash compensation over $100,000
- K-1 (IRS 1065) for Partnership Self Employed employment income
- General Ledger Reports or statements to assist with Health Care and Retirement benefits
- State Quarterly Wage Reporting Forms

For Sole Proprietorships and Independent Contractors
(if applicable):

- Form 1099 -MISC (Independent Contractors only)
- Form 1040 Schedule C or F for 2019 and/or 2020
- Payroll tax filings
- Payroll statement or similar documentation to demonstrate operations on 02/15/2020
- Bank Statements to demonstrate payroll disbursements
- General Ledger Reports or statements to assist with Health Care and Retirement benefits
- State Quarterly Wage Reporting Forms

- On your application, you will need to supply the SBA loan number.
- Payroll summary report
- Payroll tax filings
    - IRS 940 (or 990)
    - IRS 941 for applicable quarters
    - 1099-MISC (if independent contractor)
    - State Tax Filing Records (include certificate of good standing)
    - Federal Tax Return
    - IRS Form 1040 Schedule C (if sole proprietor)
    - payroll ledgers (summary reflecting each employee's compensation)
- Identity documents: driver's license or passport for principals

How much can you get?

For most businesses, the amount you can apply for is, as before, the amount of your average monthly payroll in 2019 or the year before your loan times 2.5. This is the same as the previous round of PPP. Capped at $2,000,000.

For accommodation and food service businesses

Entities in industries assigned to NAICS code 72 (Accommodations and Food Services) may receive loans of up to 3.5X average monthly payroll costs. If you apply for the PPP then you may not apply for the shuttered venue grant.

Forgiveness

You can get forgiveness for this PPP loan by spending at least 60% on payroll expenses (wages, salaries, retirement, group health insurance, etc.) and a maximum of 40% on qualifying expenses during an 8- or 24-week period. The other qualifying expenses are listed in the PPP Additional Eligible Expenses Section

- Extends the covered period for all first draw PPP loans through March 31, 2021.
- Employee and compensation levels are maintained;
- The loan proceeds are spent on payroll costs and other eligible expenses;
- At least 60 percent of the proceeds are spent on payroll costs

Clarification of and Additional Limitations on Eligibility.

- Clarifies that a business or organization that was not in operation on February 15, 2020 shall not be eligible for an initial PPP loan and a second draw PPP loan.

- Prohibits eligible entities that receive a grant under the Shuttered Venue Operator Grants from obtaining a PPP loan.

Retroactive Changes to forgiveness

Redesignates Section 1106 of the CARES Act and other subsequent conforming amendments as section 7A. This would transfer section 104 of this title to the end of section 7 of the Small Business Act (15 U.S.C. 631 et seq.). Relevant sections to follow contain this technical redesignation. Allows loans made under PPP before, on, or after the enactment of this act to be eligible to utilize the expanded forgivable expenses except for borrowers who have already had their loans forgiven.

Select forgiveness period

Allows the borrower to elect a covered period ending at the point of the borrower's choosing between 8 and 24 weeks after origination.

Calculation of Maximum Loan Amount for Farmers and Rancher

Establishes a specific loan calculation for the first round of Paycheck Protection Program loans for farmers and ranchers who operate as a sole proprietor, independent contractor, self-employed individual, who report income and expenses on a Schedule F, and were in business as of February 15, 2020. These entities may utilize their gross income in 2019 as reported on a Schedule F. Lenders may recalculate loans that have been previously approved to these entities if they would result in a larger loan. Applies to PPP loans before, on, or after the date of enactment, except for loans that have already been forgiven.

Definition of a Seasonal Employer.

Defines a seasonal employer to be an eligible recipient which:

(1) operates for no more than seven months in a year

(2) earned no more than 1/3 of its receipts in any six months in the prior calendar year.

Applies to any loan made before, on or after enactment including the forgiveness of the loan.

Changes to Seasonal requirements

Expands the seasonal period to any 12-weeks between February 15, 2019 and February 15, 2020

Expanded PPP eligibility

Increases access for more critical access hospitals, local newspapers and TV and radio broadcasters, housing cooperatives, and 501(c)(6) nonprofits, including tourism promotion organizations and local chambers of commerce;

Shuttered Venue Operator Grant - $15 Billion

SBA Page
SBA Webinar

The bill provides $15 billion for SBA grants up to $10 million to live venues, independent movie theaters, and cultural institutions to address the economic effects of the pandemic. Grants can be used to cover expenses such as payroll costs, rent, utilities, and personal protective equipment.

Eligible Businesses:

- Live venue operators or promoters
- Theatrical producers
- Live performing arts organization operators
  - Relevant museum operators, zoos and aquariums who meet specific criteria
- Motion picture theater operators
- Talent representatives, and
  - Each business entity owned by an eligible entity that also meets the eligibility requirements

Criteria

- Must be able to show at least a 25% revenue decline
- Grants up to 10 million dollars
- MUST NOT HAVE RECEIVED A PPP LOAN
- Must have been in operation since at least February 29, 2020

Amount of Grants (Initial Phase)

Except for museum operators (who may not receive more than $10M in total for all relevant museums they operate), Initial Phase awards will be either for**:**

- An eligible entity that was in operation on 1/1/19, the **lesser** of an amount equal to 45% of their 2019 gross earned revenue **OR** $10 Million.
- An eligible entity who began operation after 1/1/19, the **lesser** of the average monthly gross revenue for each full month you were in operation during 2019

multiplied by 6 **OR** $10 Million.

First Priority

Awards limited to applicants with 50 or fewer full-time employees who lost **90% or more** of their revenue between April 2020 through December 2020 due to the COVID-19 pandemic.

Example 1

2019 Revenue (April 1-Dec 31)	**2020 Revenue** (April 1-Dec 31)
$200,000	$20,000
Revenue decrease	90% ELIGIBLE

Example 2

2019 Revenue (April 1-Dec 31)	**2020 Revenue** (April 1-Dec 31)
$500,000	$140,000
Revenue decrease	72% INELIGIBLE for first priority; eligible for second priority

Second Priority (14 days after first priority)

Awards limited to applicants with 50 or fewer full-time employees who lost **70% or more** of their revenue between April 2020 through December 2020 due to the COVID-19 pandemic.

Example 1

2019 Revenue (April 1-Dec 31)	**2020 Revenue** (April 1-Dec 31)
$200,000	$50,000
Revenue decrease	75% ELIGIBLE

Example 2

2019 Revenue (April 1-Dec 31)	**2020 Revenue** (April 1-Dec 31)
$750,000	$240,000
2020 Revenue/2019	68% INELIGIBLE for grant as they do not meet the revenue loss threshold

<table>
<tr>
<th>Third Priority
28 days immediately following Second Priority Period</th>
<th>Fourth Priority
61 days after awarding initial grants; open to all eligible entities</th>
</tr>
<tr>
<td>Awards limited to applicants with 50 or fewer full-time employees who lost 25% or more of their revenue between April 2020 through December 2020 due to the COVID-19 pandemic.

Example:
<table>
<tr><th>2019 Revenue
(April 1-Dec 31)</th><th>2020 Revenue
(April 1-Dec 31)</th></tr>
<tr><td># of employees</td><td>42</td></tr>
<tr><td>$750,000</td><td>$540,000</td></tr>
<tr><td>Revenue decrease</td><td>28% INELIGIBLE for first & second priority eligible for third priority</td></tr>
</table>
</td>
<td>Awards available to all eligible applicants who lost 25% or more of their revenue between April 2020 through December 2020 due to the COVID-19 pandemic.

Example:
<table>
<tr><th>2019 Revenue
(April 1-Dec 31)</th><th>2020 Revenue
(April 1-Dec 31)</th></tr>
<tr><td># of employees</td><td>62</td></tr>
<tr><td>$2,750,000</td><td>$605,000</td></tr>
<tr><td>2020 Revenue/2019</td><td>78% INELIGIBLE for first, second & third priority eligible for unrestricted round</td></tr>
</table>
</td>
</tr>
</table>

<table>
<tr><td colspan="2">Supplemental Phase
After every application received during the first 60 days has been processed, subject to availability</td></tr>
<tr><td colspan="2">Second round of grants (Supplemental Phase) can be awarded to recipients of Initial Phase awards (First and Second Priority) if they can document (as of 4/1/21 or later) their revenues have decreased 70% or more compared to the revenues from the corresponding 2019 calendar quarter due to the COVID-19 pandemic.</td></tr>
<tr><td>Example 1:
<table><tr><td>2019 Revenue (corresponding Quarter)</td><td>2021 Revenue (2nd quarter 2021)</td></tr><tr><td>$50,000</td><td>$14,500</td></tr><tr><td>Revenue Decrease</td><td>71% Eligible</td></tr></table></td><td>Example 2:
<table><tr><td>2019 Revenue (corresponding Quarter)</td><td>2021 Revenue (2nd quarter 2021)</td></tr><tr><td>$150,000</td><td>$54,000</td></tr><tr><td>Revenue Decrease</td><td>64% Ineligible, did not meet decrease thresholds</td></tr></table></td></tr>
<tr><td colspan="2">Amount of Grants (Supplementary Phase)
Supplemental Phase awards will be made in an amount equal to 50% of a grantee's Initial Phase award.

The total amount of funding received by an SVO grantee during both the Initial and Supplement Phases cannot exceed $10M.</td></tr>
</table>

Use of Funds

Grantees may use award funds for:

- Payroll costs
- Rent payments
- Utility payments
- Scheduled mortgage payments (not including prepayment of principal)
- Scheduled debt payments (not including prepayment of principal) on any indebtedness incurred in the ordinary course of business prior to 2/15/20
- Worker protection expenditures
- Payments (not to exceed $100K in annual compensation) to independent contractors
- Other ordinary and necessary business expenses, including maintenance costs
- Administrative costs (incl. fees and licensing) State and local taxes and fees

- Operating leases in effect as of 2/15/20
- Insurance payments
- Advertising, production transportation, and capital expenditures related to producing a theatrical or live performing arts production. (May not be the primary use of funds.)

Grantees may not use award funds to:

- Buy real estate
- Make payments on loans originated after 2/15/20
- Make investments or loans
- Make contributions or other payments to, or on behalf of, political parties, political committees, or candidates for election
- Any other use prohibited by the Administrator

Grantee Recordkeeping

Grantees will be required to maintain documentation demonstrating their compliance with the eligibility and other requirements of the SVO program. They must retain employment records for 4 years following their receipt of a grant and retain all other records for 3 years.

A set-aside of $2 billion is also reserved for entities with 50 or fewer employees. The program is authorized to make supplemental grants equal to 50 percent of the initial grant.

- Smaller providers: $2 billion was set aside for those with 50 full-time employees or fewer, but set aside only for 60 days. After that, those monies are available to larger businesses as well. (So it will be easy for smaller businesses to get left out.)
- In the initial 14-day period, grants will be awarded to eligible entities that have faced 90 percent or greater revenue loss. This may include large chains.
- In the 14-day period following the initial 14-day period, grants will be awarded to eligible entities that have faced 70 percent or greater revenue loss.
- After these two periods, grants shall be awarded to all other eligible entities.
- Grants to be used for specified expenses such as payroll costs, rent, utilities, and personal protective equipment.
- Initial grant can be up to $10 million, and a second grant could be up to 50% of the first grant. In other words, a large chain could get $15 million in GRANTS.

The amount of grant *appears* to be up to 45% of your 2019 revenue or 85% of 2019 operating expenses.

SBA Debt Relief Program ($3.5B)

Resumes the payment of principal and interest (P&I) on small business loans guaranteed by the SBA under the 7(a), 504 and Microloan programs, established under the CARES Act.

- 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.
- After the three-month period described above, borrowers considered to be underserved—namely the smallest or hardest-hit by the pandemic—will receive an additional five months of P&I payments, also capped at $9,000 per borrower per month. They include: o Borrowers with SBA microloans or 7(a) Community Advantage loans 7
- 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.

If the SBA projects that appropriations provided for the debt relief program are insufficient to fund the extensions provided, the Administrator may proportionally reduce the number of months provided in each extension.

Clarifications to the program

- SBA payments should be made on any loan approved before the applicable deadline, and debt relief payments should be made only once the loan is fully disbursed.
- SBA may establish a minimum loan maturity period for each loan product covered under this section to prevent program abuse.
- Any business or applicant may only receive P&I payments for only one loan approved after CARES Act enactment.

Economic Injury Disaster Loan

EIDL GRANT

Grants for EIDL Advances and Other Changes to Program ($20B)

When EIDL (Economic Injury Disaster Loan) grants were passed by Congress, they allowed for a $10,000 “Advance” to be treated as a grant, not a loan. This was changed to $1,000 per employee, this can now be changed.

- Businesses in low-income communities that received an EIDL loan can get a grant equal to the difference of what they received and $10,000.
- Eligible Businesses in low-income communities that did not get EIDL loans/Advance grants because funds had run out can now get $10,000.
- Extended covered period for Emergency EIDL grants through December 31, 2021.
- EIDL grant approvals are to be done within 21 days
- Grants are no longer deducted from PPP forgiveness

Tax Credit Programs

Tax Provisions

Extension and Expansion of the Employee Retention Tax Credit (ERTC): The bill importantly extends and expands the refundable Employee Retention Tax Credit (ERTC), which was established in the CARES Act. The extension of this tax credit, through July 1, 2021, will help keep additional U.S. workers on payroll and more small businesses and nonprofits across the country afloat. Specifically, this legislation, among other changes:

- Increases the credit rate, from 50% to 70%;
- Raises the limit on per-employee creditable wages from $10,000 for the year, to $10,000 for each quarter;
- Expands eligibility for the credit by reducing the required year-over-year decline in gross receipts from 50% to 20%; and
- Modifies the threshold for treatment as a 'large employer' by increasing the 100-employee delineation for determining the relevant qualified wage base to employers with 500 or fewer employees.
- Special "lookback" for EITC and CTC: The bill includes a special temporary rule allowing lower-income individuals to use their earned income from tax year 2019 to determine the Earned Income Tax Credit and the refundable portion of the Child Tax Credit (i.e., the Additional Child Tax Credit) in the 2020 tax year. This will help workers who experienced lower wages this year, due to the pandemic, to get a larger refund that is consistent with their earnings from prior filing seasons.
- Increases the 100-employee delineation for determining the relevant qualified wage base to employers with 500 or fewer employees;
- Provides rules to allow new employers who were not in existence for all or part of 2019 to be able to claim the credit. Retroactive to the effective date included in section 2301 of the CARES Act, the provision:
- Provides that employers who receive Paycheck Protection Program (PPP) loans may still qualify for the ERTC with respect to wages that are not paid for with forgiven PPP proceeds;
- Clarifies that group health plan expenses can be considered qualified wages even when no other wages are paid to the employee, consistent with IRS guidance.

Extension of Paid Leave Credits: The bill extends the refundable payroll tax credits for paid sick and family leave that were established in the Families First Coronavirus Response Act, through March 31, 2021. The bill also allows self-employed individuals to use their average daily self-employment income from 2019, rather than 2020, for purposes of computing these credits.

Extension of Charitable Giving Incentives: The bill includes a one-year extension of the $300 above-the-line-deduction, which was established in the CARES Act and set to expire the end of this year. It also increases the amount for 2021 that married couples filing jointly can deduct for charitable contributions, from $300 to $600. This will continue to incentivize individuals who do not itemize to support charitable organizations during this crisis. Additionally, the bill extends through the end of 2021 the increased limits on deductible charitable contributions for companies and taxpayers who itemize.

Relief for Individuals with Flexible Spending Arrangements (FSAs): The legislation provides relief for individuals with health and dependent care FSAs, ensuring U.S. workers and families do not unfairly lose out on these employer-sponsored benefits at the end of the year, through no fault of their own. Specifically, it allows individuals to carry over any unused health and dependent care FSA benefits from 2020 into the 2021 plan year, along with other FSA plan flexibilities.

Temporary allowance of full deduction for business meals.

The provision provides a 100-percent deduction for business meal food and beverage expenses provided by a restaurant that are paid or incurred in 2021 and 2022. Currently, the deduction is available for only 50 percent of such expenses.

Unemployment Benefits ($120B)

The program which was set to expire 12/31/2020 has been expanded to include the following:

- Provides enhanced unemployment insurance benefits through the Federal Pandemic Unemployment Compensation (FPUC) program. It provides an additional $300 per week to supplement all state and federal unemployment benefits, starting after December 26, 2020 and ending March 14, 2021.
- Extends the Pandemic Unemployment Assistance (PUA) program, which provides continued unemployment assistance to the self-employed, freelancers, gig workers, part time workers and other individuals in non-traditional employment. It also increases the number of weeks of PUA benefits an individual may claim, from 39 to 50 with all benefits ending April 5, 2021.
- Extends the Pandemic Emergency Unemployment Compensation (PEUC) program, providing additional weeks of federally-funded benefits to workers who have exhausted

their regular state unemployment benefits. It also increases the weeks of PEUC benefits an individual may claim, from 13 to 24 with all benefits ending April 5, 2021

- Provides full federal financing of state Shared Work programs, allowing employers to avoid layoffs during the downturn by connecting their employees who are working reduced hours with partial unemployment compensation, through March 14, 2021.

Enhancements of SBA Lending Programs - $2 Billion

7(a) and express loans now guaranteed to 90%

This bill provides $2 billion to enhance SBA's core programs, including 7(a), Community Advantage, 504, and the Microloan program, by making them more affordable and useful to small businesses. It also provides $57 million for the SBA Microloan Program to provide technical assistance and leverage about $64 million in microloans for minority-owned and other underserved small businesses

Community Development Financial Institutions and Minority Depository Institutions - $12 Billion

The bill provides $12 billion in targeted emergency investments to Community Development Financial Institutions (CDFIs) and Minority Depository Institutions (MDIs) to help low-and moderate-income and minority borrowers and communities who have been disproportionately impacted by the COVID-19 pandemic and resulting economic stress.

The bill establishes emergency programs to revitalize and provide long-term financial products and service availability for, and provide investments in, low- and moderate-income and minority communities to better reach underserved businesses and nonprofits. Specifically, the bill includes $9 billion for a new Emergency Capital Investment Program (ECIP), to provide low-cost, long-term capital investments to minority depository institutions (MDIs) and community development financial institutions (CDFIs) that are depository institutions and $3 billion in emergency assistance provided to CDFIs through the CDFI Fund, of which $1.2 billion will be targeted to "minority lending institutions," a new category of CDFIs that predominantly serve minority communities.

- Increases to 90 percent the loan guarantee on 7(a) loans, including for Community Advantage loans, until October 1, 2021.
- Increases the Express Loan amount from $350,000 to $1 million on January 1, 2021, and then reverts permanently to a lower amount of $500,000 on October 1, 2021.
- The Express Loan guaranty amount for loans of $350,000 and less is temporarily increased from 50 percent to 75 percent, and for loans above $350,000 the guarantee remains at 50 percent. On October 1, 2021, the guarantee reverts to 50 percent for all Express Loans. Section 27: Temporary Fee Reductions.

- Waives lender and borrower fees for both the 7(a) and 504 loan programs. Section 28: Low-Interest Refinancing.
- Enhances the 504 refinancing rules in order to create reciprocity for refinancing between 504 and 7(a) programs.
- Grants authority through September 30, 2023 for SBA to establish a 504 Express Loan Program for the most experienced successful 504 lenders to expedite 504 loans of less than $500,000. Section 29: Recovery Assistance under the Microloan Program.
- Enhances the microloan program to increase access to micro capital and technical assistance under the program for businesses impacted by the COVID-19 pandemic.
- Temporarily increases the amount of time that borrowers can repay their loans from 6 to 8 years.

Private Grants

BGE Energizing Small Business Grants Program

The Details

Starting **January 20**, eligible businesses located in BGE's service area will have three opportunities to apply for grants of up to $20,000. To be eligible, a business must have between two and 25 employees, less than $7 million in annual revenue, a demonstrated need for support, a strong plan for moving forward, and be in good standing with the state of Maryland.

Key Dates

- Round 1: January 20 - March 3, 2021
- Round 2: May 5 - June 16, 2021
- Round 3: September 1 - October 13, 2021

Grant recipients will be selected via a panel and will be notified within 30 days of each round's close.

Contacts provided regarding the program:

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