



# COMPREHENSIVE EMPLOYMENT SOLUTION

## **CES reporting on New Stimulus Bill signed 12 27 2020 – 12 30 2020**

Well everyone, something finally broke loose and the Corona Virus Relief Bill was signed. It extends and modifies several provisions first enacted in the Cares Act. Here is what I see is most relevant to you and your company. This information was pulled from [www.taxfoundation.org](http://www.taxfoundation.org). If you would like to see the full article, please email me and I'll send it to you. [mgentry@trustces.com](mailto:mgentry@trustces.com). We'll also post on our COVID-19 webpage as soon as we can.

As of today, SBA is not posting any new information or documents to apply for this round of PPP loans. As soon as we see or know something we'll pass it along. Please note that there are new conditions to apply for this round of PPP loans.

- 1. The bill clarifies that businesses can deduct expenses paid with forgiven PPP Loans. This clarification applies to old loans and to new loans and does not include guardrails or limitations.**
2. There is another round of PPP funding of \$284 Billion to first and second time small business borrowers with limitations. "Renewed funding of \$284 billion for the **Paycheck Protection Program (PPP)** to provide forgivable loans to first- and second-time small business borrowers. The bill expands eligibility for nonprofits and includes set-asides for very small businesses and community-based lenders. Second-time loans are limited to businesses with fewer than 300 employees and at least a 25 percent drop in gross receipts in a 2020 quarter compared to the same quarter in 2019. The maximum loan size for second-time borrowers is \$2 million. Businesses taking a PPP loan will now be able to take the Employee Retention Tax Credit (ERTC), when previously they were only allowed to opt into one or the other."
3. It also provides \$20 billion for new **EIDL grants (economic injury disaster loan program) for businesses in low-income communities**, \$43.5 billion for **continued Small Business Administration (SBA) debt relief payments**, and \$2 billion for enhancements to SBA lending. An additional \$15 billion of dedicated funding is set aside for live venues, independent movie theatres, and cultural institutions. – Just in from the SBA - You will be able to apply for the grants or loans until December 31, 2021.
4. **Extension and expansion of the Employee Retention Tax Credit** through July 1, 2021. The bill increases the refundable payroll tax credit from a maximum of \$5,000 to \$14,000 by changing the calculation from 50 percent of wages paid up to \$10,000 to 70 percent of wages paid up to \$10,000 for any quarter. The bill clarifies that businesses will now be able to take the Employee Retention Tax Credit and participate in the PPP.
5. Extension through March 2021 of the **employer-side Social Security payroll tax credits** to offset paid sick and family leave related to the coronavirus created in the [Families First Coronavirus Response Act](#).

We are here to help! Happy New Year!

Melanie and the CES team.

**CES CONTINUES TO WATCH AND MONITOR COVID SAFETY, EMPLOYEE SAFETY ISSUES,  
PAYROLL SUPPORT AND PPP AND SBA LOANS AVAILABLE FOR YOU**

**[Solutions@trustces.com](mailto:Solutions@trustces.com) or Call us (707) 395-0357**