

Congress Approves New COVID Relief Package

December 22, 2020

Late last night, both the House and the Senate passed the \$900 billion pandemic relief package to bring much-needed funding to American individuals and businesses impacted by COVID-19. This bill, which passed the House 359 to 53 before easily passing through the Senate 92-6 has now been handed over to President Trump to be signed in the coming days. Due to the large size of this bill, Congress attached a separate bill to avoid a seven-day government shutdown.

Some of the major items in the bill are as follows:

- Direct stimulus payments of \$600 per adult and child for individuals who make up to \$75,000 per year and married couples who make up to \$150,000.
- PPP expenses will be fully deductible.
- A second round of PPP for businesses whose revenue was down more than 25% in any quarter of 2020 versus the same quarter in 2019. For the accommodation and food industry the calculation of the new PPP loan will be 3.5 times the average monthly payroll. All other businesses will use the same calculation as the first round of PPP loans which was 2.5 times average monthly payroll. Eligible businesses must have under 300 employees and have used or will use the full amount of their first PPP loan.
- Business meals expense will be fully deductible for 2021 and 2022.
- Expanded Employee Retention Credit for business whose gross receipts are down more than 20% in a quarter as compared to the previous year's quarter.
- Simplified application for loan forgiveness for loans under \$150,000.
- EIDL grants received will no longer reduce PPP forgiveness.

Other programs that made it into this 5,593 page bill include \$25 billion in rental assistance, \$82 billion for schools, colleges, and universities, \$10 billion for childcare, \$15 billion for theatres and entertainment venues and much more. Blystone & Bailey will continue to monitor the progress of this bill. If you have any questions or concerns about your specific situation please reach out to your CPA at Blystone & Bailey.

