



## Office of Congresswoman Jackie Walorski *Representing Indiana's Second District*

### COVID-19 Small Business Resource Guide

*Below is a summary of federal resources available to small businesses during this unprecedented crisis. Please note this is an informational resource that does not constitute legal or business advice. For more information, please call 574-204-2645 or visit <https://walorski.house.gov/coronavirus>.*

#### Paycheck Protection Program (PPP) Loans

Forgivable loans of up to \$10 million under the Small Business Administration's (SBA) 7(a) Loan Program to maintain payroll and headcount.

- **How to Apply:** Due to high volumes, it is recommended that you contact your bank first. All current SBA-approved 7(a) lenders are eligible PPP lenders, and the government will be onboarding new lenders for PPP loans. Loans are available through June 30, 2020.
- **Eligibility:** A small business that meets SBA size standards at <https://sba.gov/size-standards/>, or a 501(c)(3) nonprofit organization, 501(c)(19) veterans organization, or tribal business described in section 31(b)(2)(C) of the Small Business Act with under 500 employees, or a sole proprietor, independent contractor, and other self-employed individual. Must be in business before February 15, 2020.
- **Loan Details:** A PPP loan is for up to 250% of your average monthly payroll costs, with a maximum of \$10 million, to be used toward most employee compensation and paid leave, insurance costs, mortgage/rent, and utilities. Loan payments are deferred for six months.
- **Forgiveness:** PPP loan forgiveness is contingent on maintaining employees and wages.
- **Note:** You may receive a PPP loan in addition to other SBA assistance, but you may not use them for the same purpose (ex: you may not use EIDL and PPP funds to pay the same employees for the same pay period).

#### Economic Injury Disaster Loans (EIDLs)

Deferable, low-interest loans of up to \$2 million, with the potential for a \$10,000 advance.

- **How to Apply:** Please visit <https://sba.gov/Disaster>. If you applied for an EIDL before March 30, 2020 and want the \$10,000 advance, you must refile your EIDL application on the SBA website.
- **Eligibility:** A small business that meets SBA standards at <https://sba.gov/size-standards/>, or a sole proprietorship, independent contractor, cooperative, employee-owned business, or tribal small business with under 500 employees. Must be in business before January 31, 2020.
- **Loan Details:** An EIDL is for up to \$2 million, with the potential for principal and interest deferment, to pay expenses including payroll and other operating expenses. The \$10,000 advance does not need to be paid back.
- **Note:** You may receive a PPP loan and an EIDL, but you may not use them for the same purpose (ex: you may not use EIDL and PPP funds to pay the same employees for the same pay period).

#### Small Business Debt Relief

The SBA will cover six months of principal, interest, and fees on certain 7(a), 504, and Microloans.

- **How to Apply:** 7(a) loans are generally made through banks; 504 loans are made through Certified Development Companies; Microloans are made through mission-based lenders.
- **Eligibility:** Business eligibility varies based on loan type. Relief is available for existing or new 7(a) loans not made under PPP, 504 loans, and Microloans. EIDLs are not eligible.
- **Which One?** To determine which loan best fits your needs, call your local Small Business Development Center (SBDC) or visit <https://sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>.



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### Small Business Tax Relief

#### Employer Retention Tax Credit:

- **Details:** A refundable payroll tax credit for 50% of wages paid to employees, including employees who are furloughed or face reduced hours, during the COVID-19 crisis. This credit is provided through December 31, 2020.
- **Eligibility:** Employers, including non-profits, whose operations were fully or partially curtailed due to a government order (ex: stay-at-home order) or who experienced a greater than 50% reduction in quarterly receipts on a year-over-year basis. For employers with 100 or fewer full-time employees, all employee wages are eligible.
- **Note:** You are not eligible for this credit if you receive a PPP loan.

#### Payroll Tax Payment Deferral:

- **Details:** Employers and self-employed individuals may defer payment of the employer portion of certain payroll taxes through the end of 2020. The amount deferred would be split into two equal installments payable at the end of 2021 and 2022.
- **Note:** You may not defer payment if you receive a PPP loan.

#### Net Operating Losses (NOL) Credit:

- **Details:** Businesses may carry back losses from 2018, 2019, and 2020 to the previous five years, giving access to immediate tax refunds.

#### Qualified Improvement Property Fix:

- **Details:** Businesses that made investments in qualified improvement property (QIP) in 2018 and 2019 will be able to reduce the cost recovery period from 39 years to 15 years, giving access to immediate tax refunds. This fixes the so-called "retail glitch."
- **Note:** Rep. Walorski introduced the underlying legislation to fix the retail glitch, the bipartisan Restoring Investment in Improvements Act.