

**Sent:** Tuesday, December 22, 2020 1:23 PM  
**Subject:** New Stimulus Plan Info - December 2020

All:

Here is some basic information just received at the WV Development Office pertaining to the new Stimulus Package recently passed by the US Congress. I wanted to get this out to as many of you as possible before the Christmas and New Years Holidays. In addition, I'm sure we will be receiving additional updates in the coming days/weeks.

I will be out-of-pocket for a few days between December 24 and January 1. But please feel free to email, text or call if you have additional questions or issues that we will need to address. I will also be sending this information to my business contacts tomorrow for the companies in my 14-county region.

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- PPP Second Draw Loans- the package creates a second round of PPP loans for businesses that (1) have no more than 300 employees; and (2) demonstrate at least a 25% reduction in gross revenue between comparable quarters in 2019 and 2020. The loan size will again be 2.5x average monthly payroll, but will be capped at \$2 million; however, accommodation and food services businesses will be permitted to draw up to 3.5x their average monthly payroll costs. Borrowers will receive full loan forgiveness if they spend at least 60% of the loan proceeds on payroll costs over a time period of their choosing between 8 and 24 weeks. \$284.45 billion has been appropriated for this second round of PPP.
- PPP Improvements- the package makes several changes to the PPP program including allowable expenses now include supplier costs on existing contracts and purchase orders, including the cost of perishable goods at any time, costs related to PPE, and technology operations expenditures. Loans of \$150,000 or less will have a much simpler application process for forgiveness and the package removes the requirement that EIDL advances be subtracted from PPP forgiveness. The package also expands eligibility for local media outlets that were previously ineligible because of their affiliation with larger syndicates.
- Existing SBA Programs- the package continues and expands many of the enhancements made to the SBA 7(a) loan program by increasing guarantees and removing fees associated with the program. Some SBA programs will continue to be able offer payment deferments in certain cases.
- Venue Support- the package establishes a \$15 billion grant program for live venues, theaters, museums, and zoos that have experienced significant revenue loss.
- Additional Support- In addition to the above mentioned programs, the package provides an additional \$20 billion for the EIDL Advance program and \$3.5 billion for continuing the Section 7(a) Debt Relief program.
- PPP FAQs- this document was last update on December 9, 2020 and I anticipate that it will be updated frequently in the coming weeks to address new questions that come up with the changes to the PPP program included in this package.

- One important provision in the new package is that Congress has clarified to the IRS that expenses paid with forgiven PPP loans are tax deductible. This has been a sticking point between Congress and the Treasury/IRS for months now and is finally resolved.

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Merry Christmas, Happy New Year and Happy Holidays!

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