

Posted: January 11, 2021

New Support for Your Business in 2021: What You Need to Know

With a flurry of recent developments related to pandemic aid for businesses, as well as the coming change in leadership in our nation's capital, we think it's important to provide some perspective, insight and information to help our clients, and all businesses make the decisions they face as the new year gets underway.

\$900 Billion Stimulus Package

The Consolidated Appropriations Act of 2021, signed into law in late December brings more relief for businesses. Here is a recap of some important facts:

- **Allows tax deductibility of expenses paid with forgiven Paycheck Protection Program (PPP) loan funds, an issue that had been of great concern for businesses**
- Establishes that Economic Injury Disaster Loan (EIDL) grants and SBA 7(a) loan payments paid by the SBA are not taxable income
- Ends mandate to provide Emergency Paid Sick Leave (EPSL)
- Continuation of additional payments of unemployment insurance
- Continuation and expansion of PPP:
- Original PPP reopened applications for first time borrowers or borrowers who have returned loans due to lack of guidance
- List of eligible participants expanded to include more nonprofits
- EIDL grants of \$10,000 are no longer required to be deducted from the PPP loan forgiveness amount

Second round of PPP loans made available:

- \$284 billion, targeting smaller businesses and those more negatively impacted by the pandemic
- Businesses must show a 25% decrease in revenue in one of the four quarters of 2020 as compared to the same quarter in 2019
- Loan dollars can be used to cover more expenses including some operation costs, worker protection and property damage
- **Application form is now available and the SBA portal may begin accepting applications as early as Monday, January 11, 2021**

PPP Forgiveness:

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SBA to issue a new one-page loan forgiveness application for loans under \$150,000

Employee Retention Credit:

The new stimulus package also extends and expands the Employee Retention Credit (ERC) which is designed to support businesses keeping employees on payroll during the pandemic. The ERC has been extended through June of 2021 and the new law makes it available for PPP loan borrowers.

More Resources

GJM Stimulus Package Webinar Recording (December 28)

GJM Assurance partner [Bob Bobek, CPA](#) co-presented a webinar on the new stimulus package on December 28th in partnership with The Employers' Association. You can watch the webinar and access the slides in the [GJM COVID-19 Resource Center](#).

GJM Tax Policy Uncertainty Webinar (January 14, 2021)

The transition to the Biden administration and to a democratic majority in the Senate has some feeling uncertain about potential tax increases in the months ahead. The recent unrest at the Capital Building has added to the uneasiness. We are hearing from some clients asking if they should take aggressive measures soon to protect themselves and their businesses from potential tax increases on the way. GJM

Tax Partner [Charlie Heid, CPA](#) will host a brief, informal webinar **"Coffee with Charlie" on Thursday, January 14 at from 3-3:30 pm** to help answer questions and alleviate concerns. The half hour webinar will include a short presentation followed by a Q&A session.

The new stimulus package and other measures will surely help businesses in the months ahead. Should you have any questions or concerns, please connect with your GJM team. As always, we are here to help as your trusted advisors.

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