



H.R. 133 - December '20 Omnibus and Coronavirus Relief Bill

| Issue | Current Law/Regulations <i>CARES Act</i> | New Legislation <i>H.R. 133</i> |
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| Paycheck Protection Program (PPP) Loans | Maximum of 2.5x average monthly pre-crisis payroll as forgivable loan to be used on covered expenses – payroll, rent, mortgage payment, utilities – to maximize forgiveness. | Allows for second PPP loan with similar terms to first but with an increased maximum size of 3.5x average monthly pre-crisis payroll for hotels , requires a 25% revenue loss in a 2020 calendar quarter compared to last year for eligibility. Eligible expenses have been expanded to include PPE costs. |
| PPP Expense Tax Deductibility | Regulator guidance indicated that expenses paid using forgiven PPP loan funds would not be eligible to be treated as tax deductions which they normally would be. | Clarifies that these expenses are deductible even when paid for using PPP loan funds. |
| PPP Forgiveness | Requires detailed documentation for forgiveness regardless of loan size | Establishes a simplified PPP loan forgiveness application for loans under \$150k. |
| Troubled Debt Restructuring | Provides relief for Troubled Debt Restructuring designations through year-end 2020 in cases where depository institutions (banks, life insurance cos) provide debt relief to borrowers such as forbearance or other modifications | Extends this relief through year-end 2021 , allowing lenders to continue and extend borrower relief. |
| Employee Retention Tax Credit | Provides 50% refundable tax credit up to \$10,000 in wages paid by an eligible employer whose business has been financially impacted by COVID-19. | Increases refundable credit from 50% to 70% of qualified wages, expands eligibility for the credit by reducing the required year-over-year gross receipts decline from 50 percent to 20 percent and increases the limit on per-employee creditable wages from \$10,000 for the year to \$10,000 for each quarter. |
| Business Meal Tax Deduction | Allowed to deduct 50% of client-related business meals | Expands business meal deduction to cover 100% of expenses for 2021 and 2022 |