

The following chart provides an overview of key economic relief opportunities that were made available through the following bills signed into law, thus far.

- Phase 3 Bill – CARES Act ([H.R. 748](#))¹
- Phase 3.5 Bill – Paycheck Protection Program and Health Care Enhancement Act ([H.R. 266](#))²

Overall, the chart encapsulates economic relief to employers, including those in the health care sector, in the form of loans, as well as tax credits and tax deferments, with eligibility varying by business size and type.

	Overview	Eligibility	Amount	Implementation Status
LOANS, GRANTS, AND DIRECT PAYMENTS				
Paycheck Protection Program (PPP) Loans	<p>Phase 3, Sec. 1102 provides an incentive for eligible employers to maintain their payroll through “covered loans” through the Small Business Administration’s (SBA) Paycheck Protection Program.</p> <p>Phase 3, Sec. 1106 authorizes SBA to forgive a portion of the loan (up to the full principal amount) if proceeds are used for payroll costs³ and other designated business operating expenses⁴ (incurred or dated</p>	<p>Any business, 501(c)(3) nonprofit, 501(c)(19) veteran’s organization, or Tribal business with fewer than 500 employees or meet SBA’s size standards.</p> <p>Affiliates will be considered together for the purposes of determining eligibility. In an interim final rule, SBA established four tests for affiliation: (1) based on ownership; (2) arising under stock options, convertible</p>	<p>Total for PPP loans = \$659B</p> <p>Phase 3 appropriates \$349B to cover loans made available retroactively from Feb. 15, 2020 through June 30, 2020.</p> <p>Phase 3.5 authorizes SBA to provide \$310B in PPP loans and appropriates an additional \$321.335B to cover PPP loans. The purpose of the additional \$11.335B is not immediately clear, though it is available to SBA until September 30, 2021.</p>	<p><i>Funding Status</i> \$310B is available (via Phase 3.5) until expended to cover PPP loans made through June 30, 2020.</p> <p>On April 16, SBA stopped accepting new PPP applications due to a lapse in Phase 3 appropriations (\$349B).</p> <p>SBA released a state-level update of approved PPP loans (as of April 16).</p> <p><i>Guidance and Resources</i> Businesses can apply for a PPP loan beginning April 3, 2020 with any existing SBA 7(a)</p>

¹ See legislative text at <https://www.congress.gov/116/bills/hr748/BILLS-116hr748enr.pdf> (WHG client [summary](#))

² See legislative text at <https://www.congress.gov/116/bills/hr266/BILLS-116hr266enr.pdf> (WHG client [summary](#))

³ Payroll costs mean salary, wage or other compensation (excludes compensation of an individual salary above \$100,000); payment of cash tip; payment for vacation, parental, family, medical, or sick leave; allowance for dismissal or separation; payment required for the provision of group health care benefits, including insurance premiums; payment of any retirement benefit; and payment of State or local tax assessed on the compensation of employees.

⁴ Allowable expenses are costs related to the continuation of group health care benefits during period of paid sick, medical, or family leave, and insurance premiums; employee salaries, commissions, or similar compensations; payments of interest on any mortgage obligation; rent; utilities; and interest on any other debt obligations that were incurred before the covered period.

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	<p>before Feb. 15, 2020) over the 8-week period after the loan is made; and employee and compensation levels are maintained.</p> <p>“Covered loans” are 100% SBA guaranteed; loan payment can be deferred up to 1 year.</p> <p>Lenders are delegated authority by SBA to approve loans (instead of going through normal processes) based on the following instead of repayment ability: (1) business was in operation on Feb. 15, 2020; and (2) had employees for whom it paid salaries and payroll taxes; or paid an independent contractor.</p>	<p>securities, and agreements to merge; (3) based on management; and (4) based on identity of interest. See SBA summary for more details.</p> <p>Sole-proprietors, independent contractors, and eligible self-employed individuals</p> <p>Business in accommodation and food services sector that employs fewer than 500 employees per physical location; a business operating as a franchise; or business that receives financial assistance from a licensed Small Business Investment Company</p>	<p>Maximum loan amount is the lesser of: (1) the business’ average total monthly payroll costs incurred during the 1-year period before the date on which the loan is made multiplied by 2.5, plus the outstanding amount of an SBA disaster loan (i.e., EIDL) that was made between Jan. 31, 2020 and the date on which the loan is made; or (2) \$10M.</p> <p>SBA set the following threshold for the forgiveness amount: 75% for payroll costs and 25% for non-payroll costs.</p>	<p>lender or through any federally insured depository institution, federally insured credit union, Farm Credit System institution, and additional lenders approved by the Treasury to make PPP loans. A lender can approve a loan application on the same day.</p> <p>On April 2, SBA issued an interim final rule to immediately implement PPP and provide formal guidance on implementation for borrowers and lenders regarding eligibility, use of PPP loans, loan forgiveness, and other terms and conditions.</p> <p>On April 3, SBA issued an interim final rule on affiliation rules for PPP (see eligibility).</p> <p>On April 9, the Federal Reserve announced it is extending credit to eligible financial institutions that make PPP loans and allow them to take loans on a non-recourse basis (i.e., with PPP loans serving as collateral).</p> <p>On April 13, Treasury Department’s Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (Board), and Federal Deposit Insurance Corporation (FDIC) issued an interim final rule with comment period that would have the effect of shielding the banking organizations that make PPP loans from exposure to credit or market risk, and therefore facilitate lending to small businesses (WHG client summary). Comments are due May 13.</p> <p>On April 17, SBA issued an interim final rule with additional guidance regarding eligibility for individuals with self-employment and certain businesses (WHG client summary).</p>

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				<p>SBA intends to issue additional guidance regarding loan forgiveness.</p> <p>Additional resources on PPP:</p> <ul style="list-style-type: none"> • Term Sheet: Paycheck Protection Program Lending Facility (April 9) • Treasury and SBA's FAQs (April 6) • PPP webpage
<p>Emergency Economic Injury Disaster Loan (EIDL) Advance (Grants)</p>	<p>Phase 3, Sec. 1110 establishes Emergency Economic Injury Disaster Loans (EIDL) grants to provide applicants with an advance on the loan.</p> <p>SBA's Economic Injury Disaster Loans (EIDL) are intended to help meet financial obligations and operating expenses, including fixed debts, payroll, accounts payable, and bills that otherwise could have been paid</p>	<p>Same as above.</p>	<p>Total for EIDLs = \$50.562B Total for EIDL advances = \$20B</p> <p>Phase 3 appropriates \$562M to cover EIDLs and SBA's administrative expenses and \$10B to cover EIDL advances.</p> <p>Phase 3.5 appropriates \$50B to cover EIDLs.</p> <p>Phase 3.5 appropriates \$10B to cover EIDL advances.</p> <p>Maximum advance on EIDL is \$10K.</p>	<p><u>Funding Status</u> \$50B is available to cover EIDLs and \$10B is available to cover EIDL advances.</p> <p>On April 16, SBA stopped accepting new applications for EIDLs, including EIDL advances, due to a lapse in Phase 3 appropriations (\$562M for EIDLs, \$10B for EIDL advances).</p> <p>SBA release a state-level update (as of April 19) of EIDLs and EIDL Advances.</p> <p><u>Guidance and Resources</u> Application is open through Sept. 30, 2020. EIDL loans advance funds will be made available within days of approvals, and loan advance will not have to be repaid.</p> <p>Authority to provide Emergency EIDL advances ends Dec. 31, 2020</p> <p>On Mar. 17, SBA issued revised criteria for states or territories seeking EIDLs. All states and territories are eligible for EIDLs, per EIDL declarations.</p> <p>On Mar. 23, SBA announced existing SBA disaster loans would be automatically deferred through Dec. 31, 2020.</p> <p>On April 2, SBA issued EIDL declarations for each State and Territory in the U.S., therefore</p>

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				allowing individuals to file applications (WHG client summary). More information available here .
Emergency Unemployment Relief for Government Entities or Nonprofits	Phase 3, Sec. 2103 provides payment to states to reimburse nonprofits, government agencies, and American Indian tribes for half of the costs they incur to pay unemployment benefits.	States	Sums as necessary to pay half of state costs.	Applies to all unemployment payments made during the period between March 13, 2020 and December 31, 2020, even if the unemployed individual is not unemployed as a result of COVID-19. Additional guidance is available here (p. 3).
Federal Reserve Loans to Medium-Sized Businesses and Nonprofits	Phase 3, Sec. 4003 authorizes the U.S Treasury to make loans, loan guarantees, and other investments to eligible businesses. Implements a special 13(3) facility through the Federal Reserve that provides loans (annualized interest rate no higher than 2%) to medium-sized businesses and nonprofits. Principle amount cannot be reduced through loan forgiveness. Conditions include: <ul style="list-style-type: none"> • The loans must be used to retain 90 percent of the recipient’s workforce • Recipient cannot offshore jobs during the loan period and two years following • No interest or principal will be due for at least the first six months after the loan is made. 	Business and non-profits with between 500 and 10,000 employees.	Phase 3 appropriates \$454B to Treasury for loans, loan guarantees, and other investments in support of the Federal Reserve’s lending facilities that support eligible businesses, states, and municipalities. Maximum loan amount is not specified.	On April 9, the Federal Reserve announced it will support up to \$850B in credit, backed by \$85B (of \$454B) in credit protection provided by the Treasury, in order to facilitate loans to businesses and households: <ul style="list-style-type: none"> • Primary Market Corporate Credit Facility (PMCCF) • Secondary Market Corporate Credit Facility (SMCCF) • Term Asset-Backed Securities Loan Facility (TALF)
Main Street Lending Program for	Phase 3, Sec. 4003 authorizes the Federal Reserve to	Business with up to 10,000 employees or up to \$2.5	Minimum loan amount is \$1 million.	On April 9, the Federal Reserve announced it will purchase up to \$600B in loans through MSLP backed by \$75B (or \$454B) in equity

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Small and Medium-Sized Businesses	<p>establish a Main Street Lending Program (MSLP).</p> <p>Principle and interest payments will be deferred for one year.</p>	<p>billion in 2019 annual revenues.</p> <p>Entities that take a PPP loan may also take out a Main Street loan. Entity may only participate in either the Main Street New Loan Facility (MSNLF) or the Main Street Expanded Loan Facility (MSELF).</p> <p>Entities that participate in MSNLF or MSELF cannot participate in the Primary Market Corporate Credit Facility.</p>	<p>Maximum loan amount is the lesser of: (1) \$25 million; or (2) an amount, that when added to the eligible borrower's existing outstanding and committed but undrawn debt, does not exceed four times the eligible borrower's 2019 earning before interest, taxes, depreciation, and amortization ("EBITDA").</p>	<p>provided by Treasury. Federal Reserve and Treasury are seeking feedback on MSLP. Comments were due April 16.</p> <p>Additional resources on MSLP:</p> <ul style="list-style-type: none"> • Term Sheet: Main Street New Loan Facility • Term Sheet: Main Street Expanded Loan Facility
TAX PROVISIONS				
Employee Retention Credit for Employers Subject to Closure	<p>Phase 3, Sec. 2301 provides a refundable payroll tax credit for 50 percent of wages paid by qualified employers to employees during the COVID-19 crisis.</p>	<p>Employers (including nonprofits) whose: (1) operations were fully or partially suspended, due to a COVID-19-related shut-down order; or (2) gross receipts declined by more than 50 percent when compared to the same quarter in the prior year.</p> <p>Employers with less than 500 employees are only eligible if they forgo taking a Paycheck Protection Program loan (see above for details).</p> <p>Government employees and the self-employed are not eligible.</p>	<p>50 percent credit is based on the first \$10,000 of qualified wages paid to an employee (including health benefits).</p> <p>For employers with greater than 100 full-time employees, qualified wages are only those paid to furloughed employees.</p> <p>For employers with 100 or fewer full-time employees, all employee wages qualify for the credit, whether the employer is open for business or subject to a shut-down order.</p>	<p>The credit is provided for wages paid or incurred from March 13, 2020 through December 31, 2020.</p> <p>IRS guidance, including on how to access advance credit payments is available here.</p>

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Delay of Employer Payroll Taxes	Phase 3, Sec. 3202 allows employers to defer payment of the 6.2-percent employer share of the Social Security tax they otherwise are responsible for paying on their employee wages. The Social Security Trust Funds will be held harmless under this provision. Effectively allows the Federal government to loan businesses funds to ensure they can continue operating during this crisis.	Employers and self-employed individuals. Employers with less than 500 employees are only eligible if they forgo taking a Paycheck Protection Program loan (see below for details).	Unspecified	Requires that the deferred tax be paid over the following two years, with half of the amount required to be paid by December 31, 2021 and the other half by December 31, 2022.
Modifications for Net Operating Losses	Phase 3, Sec. 2303 relaxes the 2017 Tax Cut and Jobs Act (TCJA) limitations on a company's use of net operating losses (NOL), by allowing a NOL arising in tax years 2018, 2019, or 2020 to be carried back five years. Temporarily removes the taxable income limitation to allow a NOL to fully offset income. Effectively allows companies to utilize losses and amend prior year returns, providing critical cash flow and liquidity.	Employers	Unspecified	Applies to NOL arising after December 31, 2017 and before January 1, 2021.
Modification of TCJA Limitation on Losses for Noncorporate Taxpayers	Phase 3, Sec. 2304 modifies the TCJA loss limitation applicable to pass-through businesses and sole proprietors, so they can utilize excess business losses and access critical cash flow to maintain operations and payroll for their employees.	Taxpayers other than corporations	Unspecified	Applies to taxable years beginning after December 31, 2017, and before January 1, 2026. Affected taxpayers must amend their 2018 return or 2019 returns to claim the higher loss.
Modification of Credit for Prior Year	The corporate alternative minimum tax (AMT) was repealed under the TCJA, but	Corporate taxpayers	Unspecified	Applies to taxable years beginning after December 31, 2017.

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Minimum Tax Liability of Corporations	corporate AMT credits were made available as refundable credits over several years, ending in 2021. Phase 3, Sec. 2305 accelerates the ability of companies to recover those AMT credits, permitting companies to claim a refund now and obtain additional cash flow during the COVID-19 emergency.			
Modification of Limitation on Business Interest	Phase 3, Sec. 2306 temporarily increases the amount of interest expense businesses are allowed to deduct on their tax returns, by increasing the TCJA 30-percent limitation to 50 percent of taxable income (with adjustments) for 2019 and 2020.	Businesses	Unspecified	Applies to tax years 2019 and 2020. Note: For partnerships, the Act preserves the 30% limitation for 2019, but a partner receiving an allocation of suspended interest in 2019 is permitted to deduct half of such interest in 2020.