



## Paycheck Protection Program Relaunch

The U.S. Small Business Administration announced that the Paycheck Protection Program (PPP) is restarting on January 11<sup>th</sup> for first-time borrowers and will reopen on January 13<sup>th</sup> for eligible borrowers seeking a second round of PPP. We have created a [PPP landing page](#) with details and resources, but here are the main takeaways for the latest round of PPP:

The new program received \$284 billion and PPP loans will be available for applications at participating lenders through March 31, 2021, or until funding is exhausted.

### **Eligibility:**

1. The business must have exhausted all funds from their first PPP loan (if previous PPP recipient)
2. The business must have 300 or fewer employees
3. The business has experienced a 25% reduction in gross receipts during any quarter in 2020 relative to the same quarter in 2019

### **Loan Amount:**

The maximum loan amount is the average monthly payroll costs for the entity during the 12 months before the loan or, at the election of the borrower, 2019 multiplied by 2.5 (or 3.5 for employers in the accommodation and foodservice industry). Seasonal employers utilize average monthly payroll costs for 12 weeks between February 15, 2019, and February 15, 2020. A loan may not exceed \$2 million.

### **PPP Loan Forgiveness:**

- For businesses who have applied (or are also applying) for the EIDL Advance grant, the PPP loan forgiveness will no longer be reduced by the amount of the grant.
- A simplified forgiveness application will soon be available for businesses that received less than \$150,000 in PPP funding.
- Businesses will have the opportunity to specify weeks their expenses count towards loan forgiveness of between eight and 24 weeks from the date of origination to best meet their business needs.

### **Noteworthy updates/changes from original PPP:**

- PPP loans will cover additional expenses, including operations expenditures, property damage costs, supplier costs, and worker

protection expenditures.

- The Program's eligibility is expanded to include 501(c)(6)s, housing cooperatives, direct marketing organizations, among other types of organizations.
- The PPP provides greater flexibility for seasonal employees.
- Certain existing PPP borrowers can request to modify their First Draw PPP Loan amount.
- The list of expenses qualifying for forgiveness was expanded.
- The IRS ruling was overturned to allow tax reductions for business expenses paid for by the PPP loan for both past and future loans.
- Businesses can now receive both the PPP loan and the Employee Retention Tax Credit, as long as it is not used to cover the same payroll expenses.
- Loan applications will first only be accepted from community financial institutions to promote access for underserved businesses before opening to all financial institutions.

**Additional Resources:**

**SBA Funding:** [SBA Coronavirus Relief Options](#), [SBA 7\(a\)](#), [504 and microloans](#)

**Tax Relief:** [IRS information](#) about tax relief for businesses

**Federal Resources:** [Information on all federal programs](#) and [specific to small businesses](#)

**State Resources:** [Arizona Commerce Authority](#) has information for employers and small businesses

**Scottsdale Resources:** [Pandemic Business Resources](#)

**U.S. Small Business Association:** [COVID-19 Guidance and Loan Resources](#)

**U.S. Chamber of Commerce:** [Guide to Small Business COVID-19 Emergency Loans](#)

We also want to take this opportunity to remind everyone that there are still [free business training webinars and 1:1 technical assistance](#) available to Scottsdale businesses thru May 2021.

If you have any specific questions related to PPP #2, you may reply to this email or reach out to [business@scottsdaleaz.gov](mailto:business@scottsdaleaz.gov) and we will respond to you within one business day.

Help #SupportScottsdale and please pass this information on to other local businesses that may benefit as well!

Thank you,

The City of Scottsdale Economic Development Department



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