



Additional Coronavirus Response and Relief

CLICK HERE TO WATCH VIDEO

This morning the text of the new Additional Coronavirus Response and Relief (ACRR) legislation was released and we have prepared a short 10 minute video summarizing some of the highlights. If the legislation is passed by Congress and signed into law, it will include the following items:

1. PPP Deductibility – Expenses used to obtain loan forgiveness will be deductible.
2. EIDL Grant taxability – The EIDL Grant (up to \$10,000 received in April) will be tax free and related expenses will be deductible.
3. EIDL Grant impact – The EIDL Grant will no longer reduce PPP loan forgiveness. Under the CARES Act, if a practice received a \$100,000 PPP and \$10,000 EIDL, it would be eligible for \$90,000 forgiveness and be left with a \$10,000 PPP loan. That adjustment is being eliminated allowing for the potential to obtain full forgiveness.
4. Simplified application – PPP loans of under \$150,000 will be eligible for a one page simplified forgiveness application but still must retain documentation and meet the requirements of the program.
5. 2nd Round PPP – If your practice incurred a 25% or greater reduction in collections in any 2020 calendar quarter compared to 2019, it may be eligible for a 2nd PPP loan. Most practices should have incurred such a reduction for the 2nd quarter that includes April – June 2020. We need additional time and guidance to determine if there will be other limitations.
6. Stimulus payments – Taxpayers with under \$150,000 adjusted gross income (married filing joint) or \$75,000 (single) will be eligible for an additional \$600 stimulus payment or 2020 tax credit.
7. Meals – Business meals provided by a restaurant paid in 2021 and 2022 will be 100% deductible but still require normal documentation including the business purpose, who attended, and what business was discussed. There is no change to business meals paid in 2020.

It is important to note that even if this legislation is passed without changes, it will take the Treasury Department, SBA, and IRS a few weeks or months to clarify some details.

Stay safe and healthy,

Rosen & Associates, LLP



[About Us](#)

[Affiliates](#)

[Publications](#)

[News](#)

[Contact Us](#)

Rosen & Associates, LLP

1800 West Park Drive, Suite 300

Westborough, MA 01581

508-926-2400

[Reach Out To Us](#)

