

# Consolidated Appropriations Act, 2021 — American Rescue Plan Act, 2021

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# Simplified PPP Forgiveness Process

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Loans < \$150,000

Attest to a good faith effort to comply with the PPP loan requirements

Report the number of employees at the time of application

No documentation needed

Simple one-page form [3508S](#) (published 1/19/2021)

You still must comply with spending rules (which have changed... again)

# Second Draw PPP – Closes May 31

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Second loan of up to 2.5X or 3.5X average monthly payroll costs up to \$2 million

Conditions;

300 or fewer employees. (Increased in ARP Act to 500 for 501(c)\*)

25% or more decline in revenue for any quarter in 2020 compared to 2019.

Must have spent all of first round funds before second loan is disbursed.

Do not have to file for forgiveness on first loan before obtaining second.

Funds available until they run out.

# Families First Coronavirus Response Act

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Tax credit extended on Sick and Family leave wages paid through Sept 30, 2021.

Employer mandate was NOT extended. Optional for employers to offer. Why not?

Time off available reset\* on 4/1/2021

\*Two weeks total, between 4/1/2020 and 3/31/2021 for Sick or Family leave

Ten weeks total, between 4/1/2020 and 3/31/2021 for EFMLA

Leave now allowed for immunization and time off for recovery of adverse effects

Proof?

# Restaurant Revitalization Fund

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Grant available to all bars and restaurants - similar places of business in which the public or patrons assemble for the primary purpose of being served food or drink.

Make a good faith certification that the uncertainty of current economic conditions makes the grant necessary to support the ongoing operation.

How Much? 2019 Revenue minus 2020 Revenue minus all PPP loans = WOW!

Funds can be used for just about everything a restaurant would need to run the business. Any unused funds by December 31, 2021 will need to be returned.

# Grants for Shuttered Businesses – SOS

Live venue operators, promoters, theatrical producers, live performing arts organization operators, museum operators, motion picture theatre operators, talent representatives, and the like.

25% reduction in revenue in a calendar quarter in 2020 compared to the same quarter in 2019.

PPP OR Grant, but Grant process has not opened yet. (SBA Website)

Grant amount is lesser of 45% of gross revenue of 2019 or \$10,000,000

Grant can be used towards payment of payroll, certain contractor payments, rent, utilities, interest, certain worker protection expenses, insurance, and more.

# COBRA Subsidy

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Involuntarily separated employees, or reduction in hours to a point where benefits are lost, will not pay for their COBRA continuation coverage between April 1 and September 30.

All COBRA eligible employees are eligible for this subsidy. That means an employee who was involuntarily terminated as far back as **November 2019**, need to be provided with the eligibility letter.

Employer will receive a credit on their 941 tax return for the premium amount plus 2% administrative fee.

# Employee Retention Credit

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The IRS will allow a tax credit (refundable) if your business meets one of two conditions;

Business was fully or partially suspended

OR

Business gross receipts (revenue) decreased during a calendar quarter

**Up to \$33,000 maximum refund available, per employee!**



# Suspended Definition for ERC

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Fully or partially suspended by government order  
(federal, state, county, city, or local)

If fully or partially suspended, but can work from home = NOT eligible for ERC

Business not suspended, but an essential supplier is = eligible for ERC

# Gross Receipts

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Gross receipts is the total sales from all operations.

Gross receipts also include the organization's investment income, including from dividends, rents, and royalties, as well as the gross amount received as contributions, gifts, grants, and similar amounts, and the gross amount received as dues or assessments from members or affiliated organizations.

# Employee Retention Credit - 2020

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Effective 3/13/2020

Business must have had 100 or less full-time employees in 2019.

“Suspended” OR Gross receipts must be down by at least 50% in any 2020 quarter compared to the same quarter of 2019. Eligibility remains, based on gross receipts qualification, until gross receipts increases to less than 20% reduction in subsequent quarters.

Refundable credit amount-

50% of wages paid per employee, up to **\$5,000 max credit per employee.**

# Employee Retention Credit - 2021

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Business must have had 500 or less full-time employees in 2019.

“Suspended” OR Gross receipts must be down by at least 20% in any 2021 quarter compared to the same quarter of 2019.

Refundable credit amount-

**70% of wages paid per employee, up to \$7,000 max credit per employee, per quarter**

# Wage Exclusions for the ERC

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Does not include payments for Severance

Does not include wages paid with forgiven PPP funds

Does not include wages used for the purpose of WOTC

Does not include FFCRA Sick, Family, or EFMLA wages

Does not include wages paid to relatives of owners

Self-employed individuals are not eligible with respect to their own self-employment earnings

Household employers

# Thank you!

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