

Dear Clients,

As many of you are aware, the President signed the American Rescue Plan Act of 2021. The enrolled bill is 242 pages and provides 1.88 trillion in federal investments. There are many business provisions within this bill and we will highlight the key provisions related to taxes.

Texas and Oklahoma [businesses](#) that were affected by the winter storms have been extended by the IRS to June 15, 2021 as well as their state business filings if applicable. Maryland has moved its state filing deadline to June 15, 2021.

Business Benefits:

1) Employee Retention Tax Credit – Section 9651

a. There are now three levels of guidance related to the employee retention credit.

- i. The IRS issued Notice 2021-20 on March 1, 2020 related to credits from March 13, 2020 to December 31, 2020 only
- ii. The Consolidated Appropriations Act, 2021 provides for benefits related to the first two quarters of 2021. The IRS indicated guidance is forthcoming
- iii. The American Rescue Plan Act of 2021 has extended the Employee Retention Tax Credit to the end of 2021. However, rules are expected to be slightly different for the last two quarters of 2021, which include eligibility

2) Restaurant Revitalization Fund – Section 5003, 9673

- a. Restaurants with 20 or fewer locations can apply for grants from the \$28.6 billion earmarked for the Restaurant Revitalization fund through the SBA.
- b. The bill allows for grants equal to the pandemic-related revenue loss of the eligible entity, up to \$10 million per entity, or \$5 million per physical location. The grants are calculated by subtracting 2020 revenue from 2019 revenue.

3) Families First Coronavirus Response Act (FFCRA) - Section 9022

- a. The act codifies the credits for sick and family leave originally enacted by the Families First Coronavirus Response Act (FFCRA), P.L. 116-127, as Secs. 3131 (credit for paid sick leave), 3132 (credit for paid family leave), and 3133 (special rule related to tax on employers). The credits are extended to Sept. 30, 2021. The wages covered by the paid family leave credit is up to \$12,000 from \$10,000 and covers up to \$200 per day, up to 60 days from 50 days, and the 10-day limit on the emergency paid sick leave resets. An employer would be able to claim an additional family leave credit up to \$2,000 of qualified family leave wages plus emergency paid sick leave up to an additional 10 days (from April 1, 2021 to Sept. 30, 2021). Eligible employers can claim a federal payroll tax credit for 100% of qualified leave payments. The credit offsets the employer's 6.2% Social Security tax component of the federal payroll (FICA) tax.

4) Paycheck Protection Program Loans – Section 5001

- a. The bill allocates another \$7.25 billion in PPP loans and allows more nonprofits to apply including: Nonprofits with no more than 500 employees per location. Nonprofits that receive and spend less than 15% of its receipts and expenses on lobbying, spends less than \$1 million on lobbying, and employ no more than 300 employees.

5) Shuttered Venue Operator grant (SVOG) – Section 5005

- a. The new aid package includes an additional \$1.25 billion in funding for the Shuttered Venue Operators Grant. It allows venue owners to apply for additional federal aid as the Small Business Administration continues to set up the SVOG program, which has yet to announce a launch date.

6) Targeted Economic Injury Disaster Loan (EIDL) – 5002, 7527A, 9672

- a. \$15 billion additional for **Targeted Economic Injury Disaster Loan Advance** (EIDL) payments, including **NEW** \$5 billion for Supplemental Targeted EIDL Advance payments for those hardest hit.

If you have any additional questions, please do not hesitate to contact us.

Be safe and stay well,

TBL, Inc.

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