



## H.R. 133 - December '20 Omnibus and Coronavirus Relief Bill

Issue	Current Law/Regulations <i>CARES Act</i>	New Legislation <i>H.R. 133</i>
<b>Paycheck Protection Program (PPP) Loans</b>	Maximum of 2.5x average monthly pre-crisis payroll as forgivable loan to be used on covered expenses – payroll, rent, mortgage payment, utilities – to maximize forgiveness.	Allows for second PPP loan with similar terms to first but with an increased <b>maximum size of 3.5x average monthly pre-crisis payroll for hotels</b> , requires a 25% revenue loss in a 2020 calendar quarter compared to last year for eligibility. Eligible expenses have been expanded to include PPE costs.
<b>PPP Expense Tax Deductibility</b>	Regulator guidance indicated that expenses paid using forgiven PPP loan funds would not be eligible to be treated as tax deductions which they normally would be.	Clarifies that these expenses <b>are deductible</b> even when paid for using PPP loan funds.
<b>PPP Forgiveness</b>	Requires detailed documentation for forgiveness regardless of loan size	Establishes a <b>simplified PPP loan forgiveness</b> application for loans under \$150k.
<b>Troubled Debt Restructuring</b>	Provides relief for Troubled Debt Restructuring designations through year-end 2020 in cases where depository institutions (banks, life insurance cos) provide debt relief to borrowers such as forbearance or other modifications	Extends this relief <b>through year-end 2021</b> , allowing lenders to continue and extend borrower relief.
<b>Employee Retention Tax Credit</b>	Provides 50% refundable tax credit up to \$10,000 in wages paid by an eligible employer whose business has been financially impacted by COVID-19.	Increases refundable credit from 50% to 70% of qualified wages, expands eligibility for the credit by reducing the required year-over-year gross receipts decline from 50 percent to 20 percent and increases the limit on per-employee creditable wages from \$10,000 for the year to \$10,000 for each quarter.
<b>Business Meal Tax Deduction</b>	Allowed to deduct 50% of client-related business meals	Expands business meal deduction to cover 100% of expenses for 2021 and 2022