CONGRESSIONAL ACTION TO ENSURE FINANCIAL CERTAINTY FOR BUSINESSES

☑️ Provide $350 billion to small businesses (boat building qualifies as less than 1000 employees) to keep employees on the payroll.

- Size of the loan would equal 250% of employer’s average monthly payroll but the maximum loan amount would be $10 million.
- If the employer maintains its payroll, then the portion of the loan used for payroll costs, interest on mortgage obligations, rent, and utilities would be forgiven.
- This is retroactive to Feb. 15, 2020 to help bring workers already laid off back onto payrolls.
- Who qualifies? Small business is defined as, 501(c)(3) nonprofit, a 501(c)(19) veteran’s organization, or Tribal business concern described in section 31(b)(2)(C) of the Small Business Act with not more than 500 employees, or the applicable size standard for the industry as provided by SBA, if higher.

- Loans can be used for:
  - Covered payroll costs include salary and wages up to annual rate $100,000; health care benefits, commissions or similar compensations, payments of interest on any mortgage obligation, rent, utilities, and interest on any other debt.
- Loans made immediately available through more than 800 existing SBA-certified lenders, including banks, credit unions and additional lenders will be brought into the program.
- Borrower Requirements:
  - Loan is to support the ongoing operations of business.
  - Funds will be used to retain workers and maintain payroll or make mortgage payments, lease payments, and utility payments.
  - Must not have an application pending for a loan of the same purpose.
  - Must not have already received a loan for the same purpose.
- Fee Waiver:
  - Administrator will not collect fees.
  - Credit elsewhere – the requirement that a small business concern is unable to obtain credit elsewhere shall not apply to a covered loan.
- Waiver of personal guarantee:
  - No personal guarantee shall be required for a covered loan.

  - Maturity for loans with remaining balance:
    - Covered loan will have a maximum maturity of 10 years from the date on which the borrower applies for loan forgiveness under that section.
  - Interest rate requirements:
    - A covered loan shall bear an interest rate not to exceed 4 percent.

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**NMMA PRIORITIES SECURED IN STIMULUS PACKAGE**

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- Allow businesses to delay payment of payroll taxes.
  - Allows businesses and self-employed individuals to defer payment of employer share of 6.2-percent Social Security tax. Breaks up deferred employment tax into two installment payments over the following two years, with the first half due by December 31, 2021 and the remaining half by December 31, 2022.
  - Also provides a refundable payroll tax credit for 50 percent of wages paid by employers whose operations were fully or partially suspended due to a COVID-19 related shut down order or gross receipts were 50 percent lower than the same quarter in the previous year.
- Set up a national small business sustainability program to provide assistance to partially unemployed workers to support employee retention.
  - Provides temporary funding for existing state short-time compensation (STC) programs to give businesses ability to reduce work hours to avoid layoffs. Workers whose hours are reduced may be compensated with STC which is a regular unemployment benefit pro-rated for the partial work reduction.
  - $100 million in grants for states without STCs to enact and develop programs.
  - Department of Labor to provide assistance and guidance to states to implement STCs by providing model legislative language to enact programs, provide implementation technical assistance and guidance, and establish reporting requirements for states on number of estimated averted layoffs and number of participating employers and workers.
- Streamline approval and provides $562 million for the small business disaster loan program.
- Establishes a grant program to educate and advise businesses as they navigate the new programs that will assist in the recovery.
- Authorizes SBA to provide additional financial awards to resource partners (Small Business Development Centers and Women’s Business Centers) to provide counseling, training, and education on SBA resources and business resiliency to small business owners affected by COVID-19.
- Authorizes SBA to provide an association or associations representing resource partners with grants to establish: One online platform that consolidates resources and information available across multiple Federal agencies for small business concerns related to COVID-19; and A training program to educate Small Business Development Center, Women’s Business Center, Service Corps of Retired Executives, and Veteran’s Business Outreach Center counselors on the various federal resources available to ensure counselors are directing small businesses appropriately.

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- Treasury will implement a new lending program to target funding to at medium-sized businesses (500-1,000 employees).
  - The treasury department will provide targeted funding through the Federal Reserve specifically at businesses between 500 and 1,000 employees, subject to additional loan criteria such as:
    - Retain at least 90 percent of the recipient’s workforce, with full compensation and benefits, through Sept. 30, 2020.
    - Agree not to outsource or offshore jobs for the term of the loan plus additional two years; Recipient will not abrogate existing collective bargaining agreements for the term of the loan plus two years; and
    - Remain neutral in any union organizing effort.
  - Provide modifications for net operating losses to provide more critical cash flow.
    - The provision relaxes the limitations on a company’s use of losses. Net operating losses (NOL) are currently subject to a taxable-income limitation, and they cannot be carried back to reduce income in a prior tax year. This provision provides that an NOL arising in a tax year beginning in 2018, 2019, or 2020 can be carried back five years. The provision also temporarily removes the taxable income limitation to allow an NOL to fully offset income. These changes will allow businesses to utilize losses and amend prior year returns, which will provide critical cash flow and liquidity during the COVID-19 emergency.
- Create a federal Manufacturing Resiliency Fund.
- Permanently repeal research and development amortization.
- Assist with major event and meeting cancellations.

**Administration Actions to Complement Congressional Efforts**

- **Tax Relief**
  - Delay all scheduled federal tax payments for 90 days by waiving interest and penalties that would otherwise apply.
- **Tariff Relief**
  - Remove the Section 301 Chinese tariffs and Section 232 aluminum and steel tariffs.
  - USTR removed some Section 301 tariffs related to fishing tackle bags, certain trailers, cleats and chocks, and components such as cam/crankshafts and certain mountings/fittings.
- **Continued Access to Public Waters**
  - Keep federal lands and waters open and accessible within Centers for Disease Control and Prevention Guidelines.
  - Decisions on restricted access and closures within the national forests and park systems and national wildlife refuges and fish hatcheries are being made on case-by-case basis.
- **Waive all fees to access public lands and waters**
  - National Park Service and Bureau of Land Management have temporarily waived entrance fees.

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