
Hughes Hubbard & Reed

Pandemic Economic Stimulus: Legislative and Regulatory Developments as of March 19, 2021

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March 19, 2021 – This week the Small Business Administration issued guidance regarding how to calculate the maximum first and second draw loans available to a business under the Paycheck Protection Program. In addition, legislation was introduced in Congress to extend the Paycheck Protection Program covered period and to provide a refundable payroll tax credit to businesses for costs related to the pandemic.

Regulatory Developments Relating to the Pandemic

Small Business Administration Issues Guidance for Calculating Maximum PPP Loan Amounts

On March 12, the Small Business Administration (SBA) issued updated guidance regarding how first draw Paycheck Protection Program (PPP) loan applicants should calculate payroll costs in determining the maximum first draw PPP loan amount available to them. The SBA also issued guidance regarding how second draw PPP loan applicants should calculate their revenue reduction and payroll costs in determining their eligibility for and maximum amount of a second draw PPP loan. Both guidance documents also explain what documentation a PPP loan applicant must submit in support of these calculations.

- [First Draw PPP Loan Guidance](#)
- [Second Draw PPP Loan Guidance](#)

Fiscal Stimulus Legislative Proposals

S. 815: A bill to amend the Small Business Act and the CARES Act to extend the covered period for the Paycheck Protection Program, and for other purposes.

On March 17, Senator Marco Rubio (R-FL) and 12 other Republican senators introduced legislation that would extend the deadline for businesses and nonprofits to apply for Paycheck Protection Program (PPP) loans from March 31 to May 31, 2021. On March 11, Representatives Nicole Malliotakis (R-NY) and Elise Stefanik (R-NY) introduced a version of the same bill in the U.S. House of Representatives.

- [Press release](#)

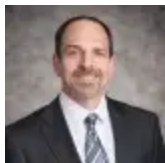
H.R. 1944: Healthy Workplaces Act

On March 16, Representatives Tom Rice (R-SC), Stephanie Murphy (D-FL), Darin LaHood (R-IL), and Jimmy Panetta (D-CA) introduced legislation intended to incentivize businesses to reopen by providing a refundable tax credit against payroll taxes for 50% of the costs incurred by the business related to COVID-19 testing and protective equipment.

- [Press release](#)

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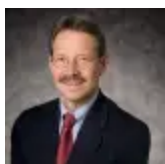
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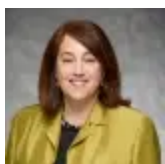
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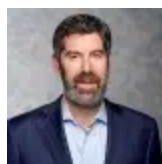
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