



## **BULLETIN #146/2020 DECEMBER 29, 2020**

### **CORONAVIRUS UPDATE**

#### **PRESIDENT TRUMP SIGNS COVID RELIEF PACKAGE WITH SEVERAL PROVISIONS IMPORTANT TO FRANCHISED DEALER**

#### **SPEAKER DELEO RESIGNS - MASS. HOUSE TO ELECT NEW SPEAKER ON WEDNESDAY**

#### **President Trump Signs COVID Relief Bill with Round #2 of PPP Loans and FFCRA Implications**

On Sunday President Donald Trump signed into law legislation which Congress sent to him on December 21 that would provide \$900 billion in Coronavirus relief and a \$1.4 trillion government funding measure designed to keep the federal government functioning for the foreseeable future.

As we provided last week, details of the COVID relief bill of key interest to dealers and dealership employees can be found in this NADA [summary](#).

In particular, the stimulus legislation clarifies that expenses paid for using Paycheck Protection Program (PPP) loan proceeds are deductible even when the loan is forgiven.

The following description of the PPP loans, Round #2, is provided courtesy of our MSADA accounting partner, O'Connor & Drew:

The relief package opens up a second round of PPP loans available to those that already received a PPP loan or those seeking a PPP loan for the first time. The second round of loans has some differences from the first round.

- To be eligible, entities must have fewer than 300 employees, have used the full proceeds of their first PPP loan, and must demonstrate that they had at least a 25 percent reduction in gross receipts during a quarter in 2020 as compared to the same quarter in 2019.
- The maximum amount of the loan has been decreased to \$2 million.
- Borrowers will still use 2.5 months of average monthly payroll in calculating their loan amount, based on either the prior 12 months or calendar year 2020.
- Businesses with multiple locations that were eligible under the initial PPP requirements may not have more than 300 employees per physical location.
- Waiver of affiliation rules that applied during the initial PPP loans also apply to a second loan.
- The covered period can be either 8 or 24 weeks.
- In addition to payroll, rent, and utilities, there are additional eligible expense for which loan proceeds may be used



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- For loans under \$150,000, borrowers may submit a certification attesting that they meet the revenue loss requirement.

Please note: The SBA is expected to create new guidance over the next two weeks, **including any other eligibility requirements.**

### **Mass. House Speaker Resigns - House to Elect Successor on Wednesday**

Rep. Robert DeLeo (D-Winthrop) ended his 12-year run as House Speaker today when he submitted his resignation, stating his desire to take a job at Northeastern University, his alma mater.

DeLeo was the longest serving speaker in the chamber's history. He had represented the north of Boston Winthrop-Revere district for 30 years. He had just been re-elected for another two-year legislative term in the recent November election. He gave his farewell remarks today during the House's formal session, albeit in a sparsely attended chamber due to Coronavirus restrictions that have been in place since the Spring.

The House will elect a successor speaker tomorrow afternoon, which is expected to be House Majority Leader Ron Mariano, a Democrat from Quincy.

Rep. DeLeo always had an open mind and willing ear when it came to dealership and business issues. Members also may recall the times he has spoken before our annual events. His balanced leadership style will be missed in the building. Our Association wishes him the best of luck in his future endeavors, wherever that road may take him.

### **MSADA - YOUR DEALER ANSWER PLACE**

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