



New Developments in COVID-19 Relief Programs

WRITTEN ON AUGUST 4, 2021

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Although most COVID-19 relief programs are winding down, SKP continues to monitor new opportunities for federal and state assistance as well as changes to any existing relief programs that may impact our clients. Below is a brief summary of new developments over the last week:

Restaurant Return to Work Tax Credit

New York State has set aside \$35 million in tax credits for qualifying businesses with on-premise dining. The credit is \$5,000 per new worker hired, up-to \$50,000 per business. Eligibility is based upon:

- Business type:
 - Full-service restaurants (i.e. waiter/waitress service)
 - Limited-service restaurants - where patrons generally order food at a counter and pay before eating
 - Bars, taverns, nightclubs, or other drinking places
 - Certain breweries/wineries/cideries/distilleries/meaderies with a tasting room
- Must be located in New York City, or in an area outside of New York City that was designated an Orange or Red Zone for at least thirty consecutive days
- Must be able to demonstrate COVID-related losses of at least 40% in gross receipts or full-time equivalent employees
- Must be independently owned and operated restaurants (excludes franchises) with less than 100 employees

This credit is first-come first-served and will expire once the \$35M is utilized.

Shuttered Venue Operator Grants (“SVOG”)

As of last week, less than 5% of SVOG applicants were waiting to receive a decision on their grant application. With only a small percentage still under review, there remains over \$4 billion in unused funding that was set aside for the SVOG program. A two-week period commenced on Monday in which previously rejected applicants and applicants who received less than their requested grant amounts could appeal those decisions. On or around August 23, the SBA will open the program for supplemental SVOGs. These supplemental awards are for 50% of the original award amount for grantees and cap at a total SVOG award (initial and supplemental) of \$10 million, with the spend-out period of the supplemental award extended to June 30, 2022.



Employee Retention Credit (“ERC”)

The ERC has been of great help for many of our clients. For 2021, businesses are eligible for payroll tax credits of up to \$7,000 per employee per quarter (\$28,000 per employee total) if they experience a significant decline in gross receipts as compared to 2019 or were shut down due to government orders. Unfortunately, if passed as currently drafted, the Senate’s \$1 trillion infrastructure package would end the employee retention tax credit three months early. There is still time for this language to be removed prior to final passage but eligible businesses should be aware of the possibility that the 2021 Q4 ERC could be nullified.

Paycheck Protection Program (“PPP”) Forgiveness

As the second round of PPP loans began rolling out in mid-January, businesses will soon reach the end of their 24 week “Covered Period.” Many banks are starting to send out emails notifying customers that forgiveness portals will open shortly. As a reminder, PPP loan recipients have 10 months from the end of their Covered Period to submit a forgiveness application before interest begins to accrue and payments are due. Additionally, the SBA announced small businesses who borrowed up to \$150,000 could soon seek loan forgiveness with a streamlined application portal online. The directforgiveness.sba.gov portal was set to open on August 4th for borrowers whose lenders agreed to use the forgiveness tool, but it was still unavailable as of this article release.

As always, Spielman Koenigsberg & Parker, LLP is here to assist you with your needs – to educate you of assistance programs, to ensure you qualify for programs that are available to your business, and that you are properly applying for all eligible COVID-19 relief. Feel free to contact us for further assistance.