



Dear valued client,

The Consolidated Appropriations Act, 2021 was signed into law on Sunday, December 27. A wide range of tax changes are included in this 5,500+ page act.

Specific details are still being determined and will be provided by the IRS and Small Business Administration, but here are a few business-related highlights:

- Paycheck Protection Program (PPP) loan forgiveness is not treated as taxable income, and expenses paid to earn forgiveness are tax deductible.
- Forgiveness of PPP loans is no longer reduced by the amount of Economic Injury Disaster Loan grant proceeds received.
- A simplified PPP loan forgiveness application will be available for PPP loans under \$150,000.
- A second round of PPP loans are available if your business gross receipts for any quarter in the 2020 year were reduced by at least 25% when compared with your business gross receipts for the same quarter in 2019.
- Payroll tax credits for employee retention and paying employees for time off due to Covid-19 have been expanded and extended.

If you have any questions, please do not hesitate to contact us.

Sincerely,

*Your Cornerstone CPA Group Team*