

Three Big Ways Transportation Businesses Would Benefit From the New COVID-19 Relief Package



Given how much the pandemic has hammered transportation businesses, three big changes to the Paycheck Protection Program are likely to come as a welcome relief. The new COVID-19 relief package President Trump signed into law on December 27, 2020 allocates an additional \$284.45 billion in lending to eligible businesses. Here are some of the key changes that will be made to the PPP loan program:

- **Businesses may now take a second PPP loan.** Businesses that received a PPP loan when the program first went into effect now may apply for a "second draw," so long as they are not public companies, do not employ more than 300 people, have used or willfully use their first PPP loan, and can show at least a 25% drop in gross receipts in the first, second or third quarters of this year compared to the same quarter in 2019. No loan may exceed \$2 million, which is down from the \$10 million original PPP loan amount cap.
- **Streamlined forgiveness process for loans under \$150,000.** In order to have a PPP loan forgiven, businesses that borrowed \$150,000 or less will simply need to submit a one-page certification that includes the number of employees the business retained as a result of the loan, an estimate of how much of the loan was spent on payroll and the total loan amount.
- **Huge tax break on business expenses.** The latest COVID relief package clarifies that if the loan is forgiven, payroll and operating expenses will be treated as tax-free to the business.

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