

## **Wisconsin Small Businesses Can Now Apply for Wisconsin Tomorrow Small Business Recovery Grants**

Earlier today, Governor Evers announced the Wisconsin Department of Revenue (DOR) is now accepting applications for Wisconsin Tomorrow Small Business Recovery Grants from Wisconsin-based small businesses adversely impacted by the COVID-19 pandemic.

This \$420 million program is funded with money received from the federal government through the American Rescue Plan Act of 2021 (ARPA). Approximately 84,000 Wisconsin small businesses will receive Wisconsin Tomorrow Small Business Recover Grants of \$5,000. Outlined below is a summary of the program.

### **Who is eligible?**

An individual or entity who operates a business may apply if **all** the following criteria are met:

- The business started operating on or before December 31, 2020, is still operating in 2021, and suffered an economic loss because of the COVID-19 pandemic. An economic loss may be from lost revenue or increased expenses because of the pandemic.
- The individual or entity filed its 2019 federal and Wisconsin income or franchise tax return.
- The business has more than \$10,000 and less than \$7 million in annual revenues (gross receipts less returns and allowances) shown on their federal tax return, specifically: Line 1c of 2019 Form 1065, Line 1c of 2019 Form 1120, Line 1c of 2019 Form 1120-S or Line 3 of 2019 Schedule C (Form 1040 or 1040-SR).
- At least 75% of the business's value of real and tangible personal property owned or rented and used by the business is in Wisconsin. For this criterion, real and tangible personal property owned by the business is valued at its original cost, and real and tangible personal property rented by the business is valued at an amount equal to the annual rental paid by the business, less any annual rental received by the business from sub-rentals, multiplied by 8.
- At least 75% of the amount of the business's labor costs are incurred by individuals performing services for the business in Wisconsin. For this criterion, labor costs for performing services in Wisconsin include amounts paid to individuals and reported on Forms W-2 or 1099, amounts paid to a professional employer organization or a professional employer group, and the net profit reported by sole

proprietors on Schedule C of their federal individual income tax return.

- The business must not be primarily engaged in Crop Production, Animal Production, Aquaculture or Lessors of Real Estate.

### **What can the grant money be used for?**

Grant money can be used for any business operating costs, including but not limited to wages and salaries, rent, mortgages, and inventory, and/or for health and safety improvements.

### **When and how can I apply?**

Eligible individuals or entities may apply [online](#). The application period opens today and closes on Monday, June 7, 2021.

### **What information do I need to complete the application?**

A complete copy of the business's 2019 federal income tax return and the business's primary North American Industry Classification System (NAICS) code.

### **How will I know if my application is approved or denied?**

All applicants will receive an email from DOR that confirms grant approval or denial. Applicants are encouraged to check their email often and must resolve any errors in their application by June 23, 2021.

### **When and how will I receive the money?**

DOR will issue payments by June 30, 2021. Grant recipients may request to receive the money by direct deposit or by check through the mail.

### **Are payments from the Wisconsin Tomorrow Small Business Recovery Grant program taxable income?**

Income from the program is included in federal income unless an exemption applies. DOR will issue each grant recipient a 2021 federal Form 1099-G by January 31, 2022, indicating the grant is taxable for federal income tax purposes.

For Wisconsin, this income should be excluded from federal adjusted gross income by making a subtraction modification on the appropriate line of the tax return. Expenses paid for with the program and deducted in the computation of federal adjusted gross income are not required to be added back on the Wisconsin return.

If you have further questions or need additional information, please review the Department's [FAQ](#), or contact the DOR by email at [WIBusRecoveryGrant@wisconsin.gov](mailto:WIBusRecoveryGrant@wisconsin.gov) or by telephone at 608-266-2772.