

The Latest Updates in Economic Relief Funding



Thursday, April 9, 2020 | Join us every Thursday at 2 p.m. ET

UMA Town Hall Meeting

UMA Board of Directors

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Mr. Dale McMichael
Executive Coach
Lancaster, PA

Mr. Scott Riccio
NorthEast Charter & Tour Co., Inc.
Lewiston, ME

Mr. Tim Stout
Stout's Transportation
Ewing, NJ



Today's Agenda

- 1— Welcome and Introduction:** Jeff Polzien & Larry Killingsworth
- 2—Update:** PPP and EIDL
- 3—Tax Update:** Rich Mead and Keith Smith, Prime Policy
- 4—Next PPP Funding:** \$250B+
- 5—CARES 2:** Motorcoach Industry Objectives
- 6—Preparing for the future:** Champion Coach, Matt Dance



U.S. Small Business
Administration

SBA had recorded the following loan volume for the Paycheck Protection Program, under the CARES ACT:

- Number of loans approved: 411,675
- Loan Value: \$107.136 billion
- Lenders: 3,759



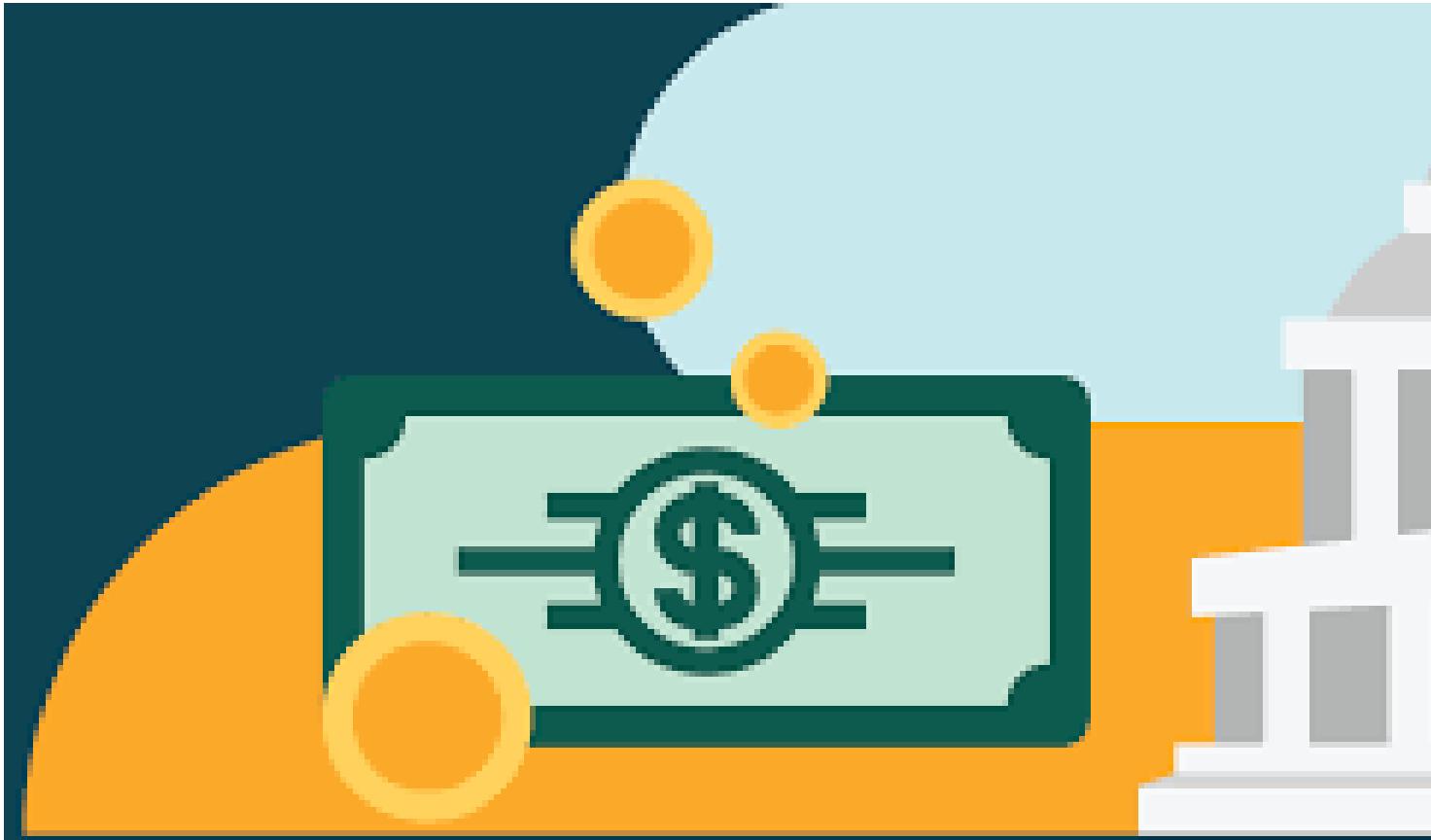
Paycheck Protection Program

Paycheck Protection Program (Employers 500 or fewer)

- Small Business Administration
- Maximum loan of \$10 million (amount tied to payroll costs)
- Allowable used of loan are:
 - employee salaries
 - paid/medical leave
 - insurance premiums
 - mortgage/rent
 - utility payments
 - NO COLLATERAL/NO PERSONAL GUARANTEE
- Can also receive an SBA Economic Injury Disaster Loan; however, the loans may not be spent on the same items.
- Does not require collateral or a personal guarantee.
- Eligibility for loan forgiveness if requirements are met.
- Lenders required to provide payment deferment relief for 1 year

Emergency Economic Injury Disaster Loan/Grant

- \$10 billion in funding
- Advance of **\$10,000 emergency grant** within three days of applying for the loan.
- Does not have to be paid back if later denied EIDL loan.
- EIDLs are loans of up to \$2 million
- Interest rates no more than 4%
- NO COLLATERAL/NO PERSONAL GUARANTEE (<\$200k)
- Principal and interest deferment for up to 4 years.
- Loans may be used to pay for expenses that could have been met had the disaster not occurred, including payroll and other operating expenses.
- May be used to provide paid sick leave to employees, maintaining payroll, or pay business obligations, including debts, rent and mortgage payments.
- Eligible grant recipients must have been in operation on January 31, 2020. The grant is available to small businesses, private nonprofits, sole proprietors and independent contractors, tribal businesses, as well as cooperatives and employee-owned businesses.



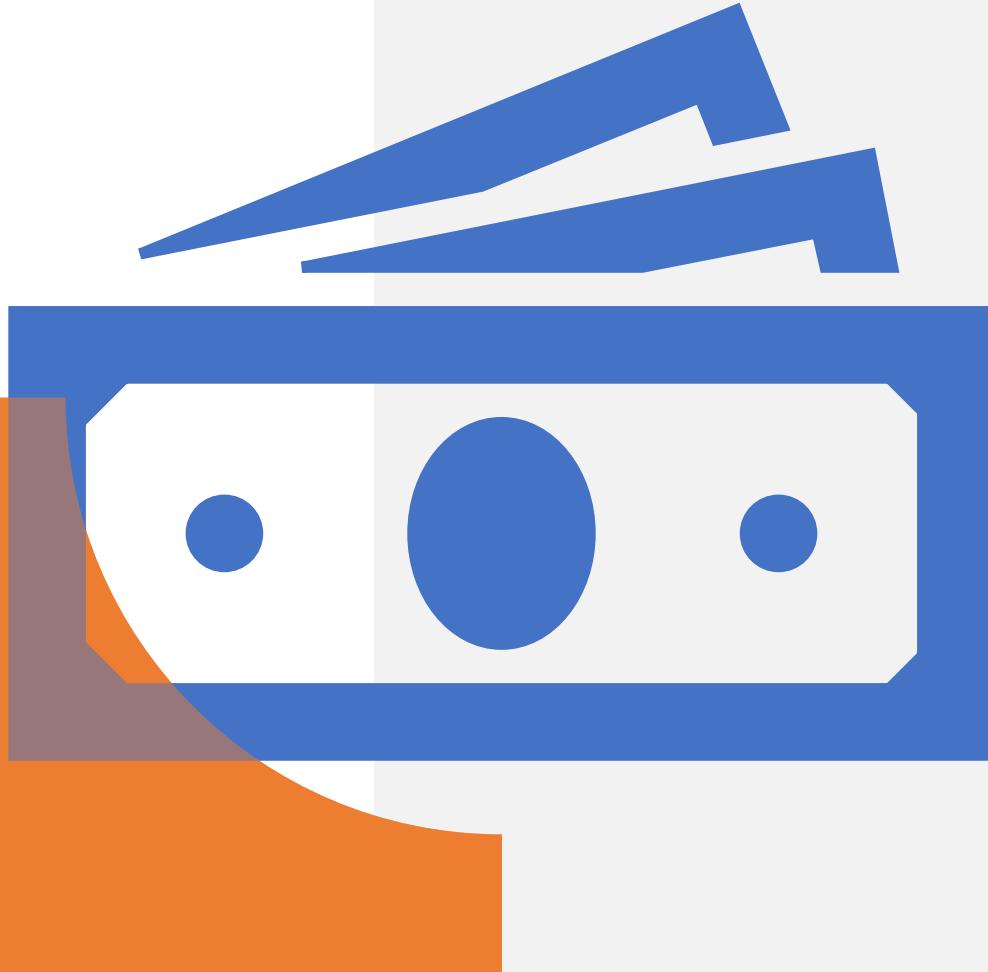
MAIN STREET LENDING PROGRAM

- **Currently in development –**
 - Aimed at firms with between 500 and 10,000 employees.
 - \$10 million to \$2 billion in revenue.
 - At least \$100 billion in federal funding - could go to \$1 trillion.
 - Interest rates of 2 - 2.5 percent.
 - Five-year repayment window.
 - Airline applicability ???



Tax implications...

Payroll Protection Program



Tax implications...

***ECONOMIC
INJURY
DISASTER
LOAN***

Modification of limitation on losses for taxpayers other than corporations

The provision modifies the loss limitation applicable to pass-through businesses and sole proprietors, so they can utilize excess business losses and access critical cash flow to maintain operations and payroll for their employees. (Section 2304)



Modification of credit for prior year minimum tax liability of corporations

The corporate alternative minimum tax (AMT) was repealed as part of the Tax Cuts and Jobs Act, but corporate AMT credits were made available as refundable credits over several years, ending in 2021.

The provision accelerates the ability of companies to recover those AMT credits, permitting companies to claim a refund now and obtain additional cash flow during the COVID-19 emergency. (Section 2305)

Modification of limitation on business interest

The provision temporarily increases the amount of interest expense businesses are allowed to deduct on their tax returns, by increasing the **30-percent limitation to 50 percent of taxable income** (with adjustments) for 2019 and 2020.

As businesses look to weather the storm of the current crisis, this provision will allow them to increase liquidity with a reduced cost of capital, so that they are able to continue operations and keep employees on payroll. (Section 2306)



Thank you
for attending
today's Town
Hall meeting.

- Join us every Thursday at 2 p.m. ET.

- For more helpful information,
please visit www.uma.org and
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Town Hall recordings and slides are
available to you later today at
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