

Latest on Paycheck Protection Program – June 11, 2020

Late last night the SBA released another Interim Final Rule (IFR), this one on the PPP Flexibility Act signed into law last week. Fortunately, there are no surprises in this IFR, and it is a straightforward implementation of the provisions of the law that:

- Extends the covered period for loans to December 31;
- Provides a loan term of 5 years for loans made after June 5th with loans made prior to that date still having a two-year term;
- Extends the loan forgiveness period from 8 to 24 weeks; and
- Requires that 60 percent of a loan be spent on payroll to be fully forgiven with partial forgiveness for a smaller amount spent on payroll.

You can access the IFR here:

[Interim Final Rule on Revisions to First Interim Final Rule](#) (6/10/20)

Any final decisions on the PPP tax deduction issue is probably a way off, but Senator John Cornyn is looking to push the envelope. According to a *Politico* report, Senator Cornyn said he hoped to get unanimous consent in the Senate this week for the measure, S. 3612, the Small Business Expense Protection Act of 2020, to allow companies to deduct expenses paid for by PPP loans.

To pull that off, Senator Cornyn and other supporters would need to get rid of any remaining holds on the bill today, which will cap off the Senate's week in Washington. Senators are not scheduled to return to Washington until July 21st. Senator Cornyn said earlier in the week that supporters were "chipping away" at holds. But as of yesterday, his office said that allowing the legislation to go forward still didn't have unanimous support in the Senate.

Any final decision on the PPP deduction issue in the Senate would also need to get the House and the administration on board. Secretary Mnuchin has said that allowing companies to write off expenses bought with PPP loans would be double dipping — backing the IRS, which disallowed those deductions.

To read the full *Politico* report, click [HERE](#).