

SWEN AssurePPP

SEPTEMBER 15, 2020 UPDATE

The Small Business Administration (SBA) has issued further guidance since the Paycheck Protection Flexibility Act was signed into law on June 5, 2020. Highlights since our August 18th update are as follows:

- **Owner-employees with less than a 5% ownership stake in a C or S Corporation** are not subject to the owner-employee compensation rule that limits the amount of forgiveness for payroll compensation attributed to an owner-employee.
- **Certain nonpayroll costs attributable to the business operation of a tenant or sub-tenant are not eligible for loan forgiveness.** As an example, the portion of rent or mortgage interest attributable to the space that is sublet is not eligible for forgiveness.
- **Nonpayroll costs for home-based businesses and household expenses** are eligible for loan forgiveness to the extent that they were included in the borrower's 2019 tax filings or in 2020 expected tax filings if they are a new business.
- **Rent or lease payments to related parties** are eligible for loan forgiveness as long as the amount of loan forgiveness requested for rent or lease payments to related parties is no more than the amount of mortgage interest owed on the property during the covered period and the loan was in place prior to February 15, 2020. Documentation is required.
- **Forgiveness is not guaranteed and must ultimately be approved by the Small Business Administration.**

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For more information on how we can help, **CONTACT US TODAY!**

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