



MISSOURI Restaurant News

August 4, 2020



COVID-19 Relief Legislation: August 4 Update

Send a message to Congress

Congress is debating the next phase of Covid-19 response legislation in advance of the traditional August recess. This is expected to be the last piece of COVID-19 legislation before the November election.

As things now stand, we have two problems with the HEALS Act ([see Executive Summary here](#)) that is part of the current discussion in Washington:

- To qualify for a second PPP loan, a borrower must demonstrate a 50% reduction in quarterly gross receipts compared to the previous year. This will disqualify 55% of restaurants. For an industry that operates on razor-thin pre-tax profit margins, the 50% threshold is too high. Our ask is to lower it to 20%.

[See INFOGRAPHIC here](#)

- Restaurants will not be able to deduct expenses paid with forgiven PPP loan funds on their income tax returns. This will hand restaurants an unexpected tax bill – not something the industry needs. Congress intended the expenses to be tax-deductible; however, an IRS ruling directed otherwise. Our ask is to stipulate in the upcoming legislation that such expenses **are** deductible.

[See FACT SHEET here](#)

Tell Congress: Issues with PPP must be addressed in current legislation.

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