



# *MISSOURI* Restaurant News

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August 11, 2020

## Coronavirus Relief – Where things stand August 11

### Secretary Mnuchin: COVID-19 Relief

Treasury Secretary Steven Mnuchin said the White House is open to resuming [Coronavirus Aid Talks](#) with Democrats and putting more relief money on the table to reach a compromise. He did not give a timeline, but said he hoped they could reach a deal this week if Democrats made a fair offer. Mnuchin said the administration and Democrats agreed on several major areas:

- More funding for a second round of Paycheck Protection Program loans for struggling small businesses
- Another direct payment of up to \$1,200 for individuals.

The Paycheck Protection Program has expired. Small Business Majority said a survey of its members by the organization found that 80% of small business owners would like to take a second PPP loan. Without a second loan or other stimulus relief, nearly half – 44% – of members said they would be unable to survive another six months.

The PPP fund has about \$130 billion left from the roughly \$650 billion Congress provided. MRA will keep you updated as these negotiations continue in Washington.

### Remember: There are two problems with PPP that need to be fixed:

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.** <https://p2a.co/1J87Qk2>

President Trump: Pandemic Relief by [Executive Action](#)

President Trump recently signed an order aimed at extending some pandemic relief after Congress failed to reach a deal. The president's orders extend unemployment benefits, provide a payroll tax holiday, defer student loan payments through 2020 and extend the federal moratorium on evictions. The move would extend the unemployment bonus at a reduced level of \$400 per week, instead of the \$600 per week federal unemployment insurance that was approved in March and expired at the end of July.

In this video update, the National Restaurant Association's Sean Kennedy explains what the President's actions mean for our industry. [Watch here](#)

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