October Advocacy Update

ON THE HILL

October 23, 2020

It's been a busy week in the Senate, but no relief passed the finish line. Moreover, we do not anticipate a relief package before the election.

House Speaker Pelosi and the White House continue to negotiate a coronavirus relief package. The WH's most recent offer was $1.8 trillion, but now they are talking about a $1.8 to 2.2 trillion package with the President suggesting he would be willing to go higher. Late in the week, Chief of Staff Meadows said the goal was in the next 48 hours.

On Tuesday, Senate voted on a standalone PPP bill that didn't meet the vote count. Then, Senate voted Wednesday on a procedural hurdle for a smaller comprehensive relief package of $500 billion, but it didn't meet the vote threshold.

This week, Republicans on the Senate Judiciary Committee voted to advance the nomination of Amy Coney Barrett to the U.S. Supreme Court. Democratic members of the Committee did not attend the hearing yesterday. The full Senate will vote to confirm the nominee next Monday at the earliest.

Bills introduced this week include:

- U.S. Senators Marco Rubio (R-FL) and Jim Risch (R-ID), along with Senators Susan Collins (R-ME) and Josh Hawley (R-MO), introduced the Small Business Access to Recovery Capital Act. The legislation would provide expanded relief measures to the 7(a) loan program for one year to help businesses cope with challenges posed by the COVID-19 pandemic by:
  - Waiving borrower and lender fees;
  - Increasing the government guarantee to 95%;
  - Increasing the maximum loan value from $5 million to $10 million; and
  - Waiving debt repayment of principal, interest, and fees for any new loans made under the 7(a) program for one year.

- U.S. Senators Ben Cardin (D-MD), Jeanne Shaheen (D-NH), Charles Schumer (D-NY), and Chris Coons (D-DE) introduced the HEROES Small Business Lifeline Act. The bill would:
  - Extend and improve the Paycheck Protection Program (PPP) to better serve small businesses.
  - Extend and expand the Debt Relief program.
  - Support the smallest, most vulnerable businesses.
  - Deliver targeted assistance to small businesses in struggling industries.
  - Invest in underserved communities.
  - Improve existing small business initiatives.
  - Help minority-owned businesses respond to COVID-19.

October 2, 2020

As I'm sure you've heard, the President and First Lady have tested positive for COVID-19.
In legislative news, this week President Trump signed a 'continuing resolution' (CR) to extend $1.4 trillion in government funding until December 11 averting a crisis scenario for federal agencies. This gives policymakers 2 months to determine agency budgets for fiscal year 2021.

Coronavirus Relief
This week NAWBO signed on to another coalition letter urging Congress to provide relief NOW.

Without enough movement toward a bipartisan deal, the House late Thursday passed a $2.2 trillion package Democrats introduced on Monday — a scaled-back version of the HEROES Act. The bill passed 214-207. (See attached outline of the bill. Changes to PPP and EIDL start are page 29.)

Here are a few highlights:

- The bill allows for 2nd loans, but it does not include the streamlined forgiveness language. It includes a multi-tiered forgiveness process that relies on SBA certification of how the funds were spent.
- Creates a set aside of 25%, up to $15 billion, of remaining funding for distribution by community lenders, specifically CDFIs, CDCs, MDIs, and microloan intermediaries.
- Expands the list of allowable use of proceeds and forgiveness to allow PPE, supplier costs, and cost related to property damage from public disturbances to be eligible costs.
- Streamlined documentation for sole proprietors and the self-employed.
- $8 billion to provide payment and interest relief to all physical loan and pre-COVID EIDL borrowers.
- Establishes a state and local grant program in the Department of Treasury and administered through the SBA which would provide $15 Billion in funding to states and local governments to provide grants to small businesses through a network of community-based partners.

Several moderate Democrats reached out to Pelosi to urge her to not take a vote on the $2.2 trillion package and instead take the most-recent deal from the White House which was about $1.6 trillion in aid. The Senate does not have plans to take up the bill. For the Senate's last in Washington before the elections, Senate Majority Leader McConnell (R-Ky.) is dedicating the week to seating federal judges as the they gear up for a fight over President Trump's Supreme Court nominee. Obviously, if anything changes, we will let you know.

Senate Passes Rubio, Cardin Resolution Recognizing SBA’s National Small Business Week
In the Senate this week, lawmakers unanimously passed a resolution from U.S. Senators Marco Rubio (R-FL) and Ben Cardin (D-MD), Chairman and Ranking Member of the Senate Committee on Small Business and Entrepreneurship, recognizing the week of September 20, 2020 as "National Small Business Week." This is the 57th year in which the designation has been made. The U.S. Small Business Administration’s (SBA) National Small Business Week celebrates American entrepreneurship and awards small businesses who are making a positive impact on their communities and driving local economies. The Rubio-Cardin Resolution highlights the important impact small businesses have on our economy and honors their contributions.
ADMINISTRATION UPDATES

UPDATES FROM SMALL BUSINESS ADMINISTRATION

UPDATES FROM THE DEPARTMENT OF LABOR

UPDATES FROM THE INTERNAL REVENUE SERVICE

IRS issues final regulations on the deduction for meals and entertainment
This week, the Internal Revenue Service issued final regulations on the business expense deduction for meals and entertainment following changes made by the Tax Cuts and Jobs Act (TCJA). The 2017 TCJA generally eliminated the deduction for any expenses related to activities generally considered entertainment, amusement or recreation. However, taxpayers may still deduct business expenses related to food and beverages if certain requirements are met.

Want to hear more about NAWBO Advocacy efforts or get involved? Contact Elle Patout via email at epatout@nawbo.org.