



Allowable uses (Section 1102)

Time period for allowable uses - February 15, 2020 through June 30, 2020

Must be paid between February 15, 2020 and June 30, 2020

(There is no reference to costs being incurred when determining Allowable Uses)

Forgivable expenses (Section 1106)

Time period for forgivable expenses - 8 week period [56 days] from date of loan disbursement

Must be incurred and paid during the 56 day period

payroll cost - see below
costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums
employee salaries, commissions, or similar compensations (note the statute does not limit this category to \$100,000)
payments of interest on any mortgage obligation (which shall not include any prepayment of or payment of principal on a mortgage obligation)
rent (including rent under a lease agreement)
utilities
interest on any other debt obligations that were incurred before the covered period

payroll cost - see below

payments of interest on any mortgage obligation (which shall not include any prepayment of or payment of principal on a mortgage obligation in existence prior to February 15, 2020)
payments on any covered rent obligation in existence prior to February 15, 2020
covered utility payments

The following are included in payroll costs for both allowable uses and forgivable expenses:

gross salary, wage, commission, bonus or similar [\$100,000 cap applies to salary and wages]
payment of cash tips or similar
vacation, parental, family medical or sick leave (only if not included in gross pay)
allowance for dismissal (only if not included in gross pay)
group health benefits, including insurance premiums paid by employer (employee's share is already included in gross pay)
retirement plan contributions paid by the employer (additional clarification is needed from SBA)
payment of state unemployment
less - employer's share of FICA during the covered period between 2/15/2020 and 6/30/2020 (clarified by SBA which differs from language in the law)
less - qualified sick leave and family leave wages under FFCRA where a credit is taken
less- compensation of an employee whose principal residence is outside the United States

Definitions

Mortgage obligation - generally refers to secure loan. Interim rule for Schedule C taxpayers includes as examples both interest on a vehicle loan as well as interest on a warehouse loan.

Rent - Interim rule for Schedule C taxpayers includes as an example rent payments on vehicle used to perform business. Based on this example, rent includes leases on both real and personal property.

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