

COVID-19 AID BILL

WHAT DOES IT MEAN FOR YOU?

JANUARY 20, 2021

Presented by:

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PRESENTERS



Guy Nicio, CPA, MST
Partner – Chairman, Tax

Guy Nicio is a Partner and Chairman of the firm's Tax department. He has more than 20 years of public accounting experience and focuses on tax planning, compliance, and consulting with start-up to middle-market businesses and their owners. Guy also heads the firm's client accounting services group, which includes bookkeeping, sales and use tax compliance, along with fractional outsourced accounting solutions.



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Director, Tax

Bella Wang is a Tax Director with more than 20 years of experience in public accounting, specializing in tax planning, consulting, and compliance for large and midsize domestic and international businesses and high-net-worth individuals. She is also a contributing writer for the firm's *Solutions* newsletter and *Tax Alerts*.

INTRODUCTION AND OVERVIEW

AGENDA

- Second round of PPP – who qualifies
- Changes to PPP
- Income tax implication on PPP loan forgiveness
- Employee retention credits
- Other key provisions to keep in mind

SECOND ROUND OF PPP LOANS

SECOND PPP LOAN

- Generally subject to the same terms, conditions and requirements as First Draw PPP Loans.
- 100% guaranteed by the SBA. No personal guarantee is required.
- No collateral is required.
- Interest rate is 1%, calculated on a non-compounding, non-adjustable basis.
- Five-year maturity.
- Lenders are permitted to rely on certifications of the borrower to determine borrower's eligibility and use of loan proceeds.

SECOND PPP LOAN

- No more than 300 employees or meet an alternative size standard. Alternative size standard is maximum tangible net worth of not more than \$15 million and the average net income after federal income taxes (excluding any carryover losses) for the two full fiscal years before the date of application is not more than \$5 million.
- Has or will fully spend the loan from first round.

SECOND PPP LOAN

- The following 501(c)(6) organizations are now eligible for PPP loans:
 - Business leagues
 - Chambers of commerce
 - Real estate boards
 - Boards of trade not organized for profit with no earnings inuring to any shareholder or individual



SECOND PPP LOAN

- The following businesses will not be eligible for a second PPP loan
 - Publicly traded companies
 - Lenders, rental real estate, life insurance companies, businesses in foreign countries, pyramid schemes, legal gambling, illegal activity, private clubs, most government-owned entities, SBA loan packagers, certain convicted criminals, products or performances of a prurient sexual nature, prior SBA loan default, speculative businesses
 - Entities primarily engaged in political and lobbying activities
 - Business with certain Chinese and other foreign influences
 - Shuttered venue grantees

SECOND PPP LOAN

- Maximum loan amount: Borrowers have an option to calculate the maximum loan amount by 2.5x the average monthly payroll in
 - (a) the one-year period prior to the date on which the loan is made; or
 - (b) calendar year 2019 or 2020, by 2.5x.

Up to \$2 million.



SECOND PPP LOAN

- Maximum loan amounts for the hospitality industry:

Borrowers that have NAICS Code 72 (typically restaurants and hotels) are permitted to use a 3.5x multiplier to their average monthly payroll costs to calculate their maximum loan amount, subject to the \$2 million cap.



SECOND PPP LOAN

Code

Title

72	Accommodation and Food Service
7211	Traveler Accomodation
721110	Hotels (except Casino Hotels) and Motels
721120	Casino Hotels
721191	Bed-and-Breakfast Inns
721199	All Other Travel Accommodation
7212	RV Parks and Recreational Camps
721211	RV Parks and Campgrounds
721214	RV Parks and Vacation Camps
7213	Rooming and Boarding Houses, Dormitories, and Worker's Camps
721310	Rooming and Boarding Houses, Dormitories, and Worker's Camps

Code

Title

7223	Special Food Services
722310	Food Service Contractors
722320	Caterers
722330	Mobile Food Services
7224	Drinking Places (Alcoholic Beverages)
722410	Drinking Places (Alcoholic beverages)
7225	Restaurants and Other Eating Places
722511	Full-Service Restaurants
722513	Limited-Service Restaurants
722514	Cafeterias, Grill Buffets, and Buffets
722515	Snack and Nonalcoholic Beverage Bars

SECOND PPP LOAN

- Aggregate PPP loan limits:
 - Businesses that are part of single corporate group shall not receive more than \$4,000,000 of total second draw PPP loans.
 - A borrower who already received the first PPP loan may not receive another loan that pushes total aggregate borrowing over \$10 million.



SECOND PPP LOAN

- Gross Receipts Reduction

Can use either cash or accrual method of accounting.

Gross receipts are all revenue in whatever form received or accrued (in accordance with the entity's accounting method) from whatever source, including from the sales of products or services, interest, dividends, rents, royalties, fees, or commissions, reduced by returns and allowances.



SECOND PPP LOAN

- Gross Receipts Reduction

Gross receipts do not include

- taxes collected for and remitted to a taxing authority if included in gross or total income (such as sales or other taxes collected from customers and excluding taxes levied on the concern or its employees);
- proceeds from transactions with domestic or foreign affiliates; and
- amounts collected for another by a travel agent, real estate agent, advertising agent, conference management service provider, freight forwarder or customer broker.

SECOND PPP LOAN

- Gross Receipts Reduction

All other items, such as subcontractor costs, reimbursements for purchases made by a contractor at a customer's request, investment income, and employee-based costs, such as payroll taxes, may not be excluded from gross receipts.

For small businesses which cannot produce quarterly financial statements, they can use the annual income tax return and if they had more than 25% reduction in their 2020 annual gross receipts compared to 2019, they would qualify for 2nd PPP loan.

SECOND PPP LOAN

- For self-employed individuals other than farmers and ranchers (IRS Form 1040 Schedule C): sum of line 4 and line 7*
- For self-employed farmers and ranchers (IRS Form 1040 Schedule F): sum of lines 1b and 9
- For partnerships (IRS Form 1065): sum of lines 2 and 8, minus line 6
- For S-Corporations (IRS Form 1120-S): sum of lines 2 and 6, minus line 4
- For C-Corporations (IRS Form 1120): sum of lines 2 and 11, minus the sum of lines 8 and 9
- For nonprofit organizations (IRS Form 990): sum of lines 6b(i), 6b(ii), 7b(i), 7b(ii), 8b, 9b, 10b, 12 (column (A)) of Part VIII
- For nonprofit organizations (IRS Form 990-EZ): sum of lines 5b, 6c, 7b, and 9 of part I.
- LLCs should follow the instructions that apply to their tax filing status in the reference periods.

* If you file multiple Schedule C forms on the same Form 1040, you must include and sum across all of them.

SECOND PPP LOAN

- Gross Receipts Reduction

Loans greater than \$150K, need to provide documentation to support revenue reduction of 25% or more at the time of application.

- Relevant tax forms or quarterly financial statements

Loans of \$150K or less, no documentation is required at the time of the application. Documentation of revenue reduction must be submitted before borrower applies for loan forgiveness.

SECOND PPP LOAN APPLICATION (PAGE 1)



Paycheck Protection Program Second Draw Borrower Application Form

OMB Control No.: 3245-0417
Expiration Date: 7/31/2021

Check One:	<input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Independent Contractor <input type="checkbox"/> Self-Employed Individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal Business <input type="checkbox"/> Other		DBA or Tradename (if applicable)	Year of Establishment (if applicable)
	Business Legal Name		NAICS Code	
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed)		Business TIN (EIN, SSN)	Business Phone	
		Primary Contact	Email Address	
Average Monthly Payroll:	\$	x 2.5 (or x 3.5 for NAICS 72 applicants) equals Loan Request Amount (may not exceed \$2,000,000):	\$	Number of Employees (including affiliates, if applicable; may not exceed 300):
Purpose of the loan (select all that apply):	<input type="checkbox"/> Payroll Costs	<input type="checkbox"/> Rent / Mortgage Interest	<input type="checkbox"/> Utilities	<input type="checkbox"/> Covered Operations Expenditures
	<input type="checkbox"/> Covered Property Damage	<input type="checkbox"/> Covered Supplier Costs	<input type="checkbox"/> Covered Worker Protection Expenditures	<input type="checkbox"/> Other (explain): _____
PPP First Draw SBA Loan Number:				
Reduction in Gross Receipts of at Least 25% (Applicants for loans of \$150,000 or less may leave blank but must provide upon or before seeking loan forgiveness or upon SBA request):	2020 Quarter (e.g., 2Q 2020):		Reference Quarter (e.g., 2Q 2019):	
	Gross Receipts:	\$	Gross Receipts	\$

SECOND PPP LOAN APPLICATION (PAGE 1 CONTINUED)

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address

If questions (1), (2), (4), or (5) are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?		
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government?		
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management (including a management agreement) with any other business? If yes, list all such businesses (including their TINs if available) and describe the relationship on a separate sheet identified as addendum A.		
4. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction? Initial here to confirm your response to question 4 → _____		
5. Within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, or within the last year, for any other felony, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 5 → _____		
6. Is the United States the principal place of residence for all employees included in the Applicant's payroll calculation above?		
7. Is the Applicant a franchise?		
8. Is the franchise listed in SBA's Franchise Directory? If yes, enter SBA Franchise Identifier Code here: _____		

SECOND PPP LOAN APPLICATION (PAGE 2)



Paycheck Protection Program Second Draw Borrower Application Form

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) and the Department of the Treasury (Treasury) implementing Second Draw Paycheck Protection Program Loans under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (the Paycheck Protection Program Rules).
- The Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) employs no more than 300 employees; or (3) if NAICS 72, employs no more than 300 employees per physical location; (4) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business or a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, employs no more than 300 employees per location.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rules including the prohibition on using loan proceeds for lobbying activities and expenditures. If Applicant is a news organization that became eligible for a loan under Section 317 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, proceeds of the loan will be used to support expenses at the component of the business concern that produces or distributes locally focused or emergency information.
- I understand that SBA encourages the purchase, to the extent feasible, of American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.

SECOND PPP LOAN APPLICATION (PAGE 2 CONTINUED)

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one:

_____ The Applicant was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees, or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.

_____ Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.

_____ The Applicant has realized a reduction in gross receipts in excess of 25% relative to the relevant comparison time period. For loans greater than \$150,000, Applicant has provided documentation to the lender substantiating the decline in gross receipts. For loans of \$150,000 or less, Applicant will provide documentation substantiating the decline in gross receipts upon or before seeking loan forgiveness for the Second Draw Paycheck Protection Program Loan or upon SBA request.

_____ The Applicant received a First Draw Paycheck Protection Program Loan and, before the Second Draw Paycheck Protection Program Loan is disbursed, will have used the full loan amount (including any increase) of the First Draw Paycheck Protection Program Loan only for eligible expenses.

_____ The funds will be used to retain workers and maintain payroll; or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures as specified under the Paycheck Protection Program Rules; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.

_____ I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, covered utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures, and not more than 40% of the forgiven amount may be for non-payroll costs. If required, the Applicant will provide to the Lender and/or SBA documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of eligible expenses for the covered period following this loan.

_____ The Applicant has not and will not receive another Second Draw Paycheck Protection Program Loan.

_____ The Applicant has not and will not receive a Shuttered Venue Operator grant from SBA.

_____ The President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings

SECOND PPP LOAN APPLICATION (PAGE 3)

provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act.

_____ The Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f).

_____ The Applicant is not a business concern or entity (a) for which an entity created in or organized under the laws of the People’s Republic of China or the Special Administrative Region of Hong Kong, or that has significant operations in the People’s Republic of China or the Special Administrative Region of Hong Kong, owns or holds, directly or indirectly, not less than 20 percent of the economic interest of the business concern or entity, including as equity shares or a capital or profit interest in a limited liability company or partnership; or (b) that retains, as a member of the board of directors of the business concern, a person who is a resident of the People’s Republic of China.

_____ The Applicant is not required to submit a registration statement under section 2 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 612).

_____ The Applicant is not a business concern or entity primarily engaged in political or lobbying activities, including any entity that is organized for research or for engaging in advocacy in areas such as public policy or political strategy or otherwise describes itself as a think tank in any public documents.

_____ I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

_____ I acknowledge that the Lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge, and agree that the Lender can share any tax information that I have provided with SBA’s authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

Signature of Authorized Representative of Applicant

Date

Print Name

Title

CHANGES TO PPP LOAN

CHANGES TO PPP LOAN

- In addition to payroll costs (*salaries, healthcare benefits, retirement plan contributions & employer's state and local payroll taxes*), rent, mortgage interest and utilities, the following expenses also qualify for forgiveness subject to the 40% nonpayroll costs limit:
 - **Covered operations expenditures:**
 - Payment for any
 - a. **business software** or **cloud computing** service that facilitates business operations, product or service delivery, the processing, payment, or tracking of payroll expenses (i.e. ERP, SAP, NetSuite);

CHANGES TO PPP LOAN

– Covered operations expenditures:

Payment for any

- b. human resources;
- c. sales and billing functions; or
- d. accounting or tracking of supplies, inventory, records and expenses.



CHANGES TO PPP LOAN

- **Covered property damage costs:**

A cost related to

- a. **property damage and vandalism, or**
- b. **looting due to public disturbances**

that occurred during 2020 that was not covered by insurance or other compensation.

It does not cover damage due to natural disasters.



CHANGES TO PPP LOAN

– Covered supplier cost:

An expenditure made by an entity

- a. to a **supplier of goods** pursuant to a contract, order, or purchase order, that is
- b. **in effect before date of disbursement of covered loan** for the supply of goods, and that are
- c. **essential to operations** of entity at the time when the expenditure is made.



CHANGES TO PPP LOAN

- **Covered worker protection expenditure:**

An operational or a capital expenditure to facilitate the adaptation of the business activities to comply with requirements established or guidance issued by HHS, CDC or OSHA. The expenses may include

- a. purchase, maintenance, or renovation of assets that create or expand
 - (i) a drive-through withdraw facility;
 - (ii) an indoor, outdoor, or combined air or air pressure ventilation or filtration system;

CHANGES TO PPP LOAN

– Covered worker protection expenditure:

- a. purchase, maintenance, or renovation of assets that create or expand
 - (iii) a physical barrier such as a sneeze guard;
 - (iv) an expansion of additional indoor, outdoor or combined business space on a commercial real property;
 - (v) an onsite or offsite health screening capability;
and
 - (vi) other kinds of personal protective equipment, as determined by the SBA, HHS, and DOL.

CHANGES TO PPP LOAN

- **Covered worker protection expenditure:**
 - b. Does not include residential real property or intangible property

These additional qualified expenses can be included in the forgiveness application for the first PPP loan as long as the loan has not been forgiven.



CHANGES TO PPP LOAN

Other Changes:

- Change in Covered Period: You can now choose any time period between 8 and 24 weeks (i.e. 10, 12, 20 weeks, etc.), but shall extend no later than 9/30/21.
- EIDL advance does not need to be deducted from your PPP loan forgiveness amount.
- Group life, disability, vision, or dental insurance count as health benefits. It is important to maximize your 40% nonpayroll costs, employee benefits and retirement plan contributions if you qualify for Employee Retention Credit.

CHANGES TO PPP LOAN

Other Changes:

- New one-page loan forgiveness form for PPP loans up to \$150,000. The borrower
 - provides the number of employees that were retained because of the loan;
 - provides the estimated amount of the loan spent on payroll costs; and
 - certifies that it is in compliance with all the requirements.
- No documentation is required to be submitted to lender.
- Keep employment records for four years and other records for three years after application is submitted.

**INCOME TAX
IMPLICATION ON
FORGIVENESS**

INCOME TAX IMPLICATION ON FORGIVENESS

Expenses paid with PPP funds are tax deductible for federal income tax purposes.

- California does not conform
- Need to check other states' conformity
- Loss limitation
 - Tax basis limitation
 - Section 163(j) (limit on business interest expense deduction)
 - At-risk limitation
 - Passive loss limitation
 - Net operating loss (carryback or forward)

INCOME TAX IMPLICATION ON FORGIVENESS

The forgiveness is not taxable and can increase an owner's tax basis in the pass-through entity (i.e. S corporation, partnership).

- Can help if the owner has basis limitation for loss deduction or taking distributions
- What if there is change in ownership – need planning or agreement
- Recourse versus nonrecourse debt for partnership



EMPLOYEE RETENTION CREDIT (ERC)

EMPLOYEE RETENTION CREDIT (ERC)

PPP loan borrowers are now eligible to claim ERC and can apply retroactively to wages paid after 3/12/20. However, an ERC cannot be claimed on the same wages that were used for PPP loan forgiveness (no double dipping).

A company that received a PPP loan in 2020, paid qualified wages in excess of the wages used in the PPP loan forgiveness and is now eligible for ERC. The credit can be claimed on the Q4 employment tax return (form 941).



EMPLOYEE RETENTION CREDIT (ERC)

Qualified Employers:

- Any employer whose operation is partially or fully suspended due to governmental orders regarding COVID-19.
- Any employer whose gross receipts for the quarter are less than 50% compared to 2019 in 2020 (substitute 50% by 80% for 2021).



EMPLOYEE RETENTION CREDIT (ERC)

Qualified Wages (2020):

- For employers where the average number of full-time employees in 2019 was 100 or less, all wages qualify for ERC.
- For employers where the average number of full-time employees in 2019 was more than 100, only the wages paid to employees who are not providing services due to the business closure or had 50% or more reduction in gross receipts under the CARES Act.



EMPLOYEE RETENTION CREDIT (ERC)

Qualified Wages (new rule starting 1/1/2021):

- Extended to 6/30/21.
- The threshold increased to 500 employees. Therefore, for the first two quarters of 2021, a company with 500 or less employees can claim ERC on all wages even if they are working (either teleworking or working onsite).



EMPLOYEE RETENTION CREDIT (ERC)

Other changes effective 1/1/2021:

- Credit amount increased from 50% to 70% and a \$10,000 limit in wage per employee per quarter. Therefore, maximum credit per employee for the first two quarters of 2021 is \$14,000 even if the company received the \$5,000 maximum credit for wages paid to such employee in 2020.
- Employer can use prior quarter gross receipts under the safe harbor rule.
- New employers who were not in existence for all or part of 2019 are now allowed to claim the credit.

OTHER KEY PROVISIONS

OTHER KEY PROVISIONS

Paid Sick and Family Leave Credit:

- Extended through 3/31/2021.
- Allow self-employed individuals to use their average daily net earnings from their 2019 self-employment income, rather than 2020, to calculate the credit.



OTHER KEY PROVISIONS

Miscellaneous:

- Grants for shuttered venue operators - \$15 billion is authorized for live venue operators or promoters, theatrical producers, live performing arts organization operators, museum operators, motion picture theater operators or talent representatives. However, businesses receiving this grant will not qualify for a second PPP loan.
- Charitable contribution deductions
 - \$300 above-the-line (AGI) deduction extended to 2021 (cash donation and only applies if not itemize)

OTHER KEY PROVISIONS

Miscellaneous:

- Charitable contribution deductions
 - \$600 above-the-line deduction for married filing jointly for 2021
 - 100% adjusted gross income (AGI) limitation extended through 2021
- 100% tax deduction for business meals in 2021 and 2022. Applies to food or beverages provided by a restaurant and can be dine-in or take-out.

OTHER KEY PROVISIONS

Miscellaneous:

- Five-year extenders
 - Work Opportunity Tax Credit (WOTC)
 - Expanded exclusion for employer-provided educational assistance, including student loan repayment benefits
- Educator expenses can include amounts paid for personal protection equipment.



OTHER KEY PROVISIONS

Miscellaneous:

- Flexible Spending Accounts (FSA)
 - The \$500 carryover rule is extended through 2021
 - Provides flexibility in reimbursements for those no longer participating in the plan and where the dependent aged out during the pandemic
- Permanent change
 - 7% AGI limit for medical expenses deduction
 - Energy-efficient commercial buildings deduction under 179D

OTHER KEY PROVISIONS

Miscellaneous:

- Retirement plans
 - 10% early distribution penalty does not apply to a “qualified disaster distribution”
 - The plan loan limit of \$50,000 is increased to \$100,000 for loans made pursuant to a qualified disaster
 - An individual can recontribute retirement plan distributions used to purchase a home in a qualified disaster area



QUESTIONS?

DISCLAIMER

The topics covered in this presentation do not constitute tax or legal advice. You should always consult your tax, legal, or financial advisor for direction regarding your specific situation.

PAYCHECK PROTECTION PROGRAM FORGIVENESS

If you have a Paycheck Protection Program (PPP) loan and need to calculate your loan forgiveness or compile a loan forgiveness package for your lender, Windes can help in the following ways:

Option 1 - Complete PPP Solution (VIP service)

- We will help you ascertain all relevant facts about your PPP loan.
- We will calculate the maximum loan forgiveness amount by analyzing both covered periods.
- We will obtain all required supporting documentation and compile your loan forgiveness package.
- We will be your PPP consultant and advisor throughout the process.

Option 2 - PPP Consultant (customizable to your specific needs)

- We will be your PPP loan consultant and advisor and assist you with your specific needs.
- We will answer your questions about the relevant law and guidance.
- We will help you interpret the rules as they apply to your specific situation.
- We will review your calculations to confirm accuracy.

Visit us at: <https://windes.com/services/advisory/ppp-forgiveness>

Please note: If you are an existing attest (audit) client of our firm, we may still be of assistance; however, we'll have to navigate independence rules carefully.

Contact Information



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Irvine Concourse

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Irvine, CA 92614

Figueroa at Wilshire

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Eighteenth Floor
Los Angeles, CA 90071

ABOUT WINDES

WINDES BY THE NUMBERS

95
Years

180 Professionals

Best Places to Work
2008-2020

One of the *Top 125*
Accounting firms in
the *Nation*

In the past 12 months, we
have served over **5,000**
clients

3 Offices:
Long Beach, Irvine,
and Los Angeles

FIRM PROFILE



Long Beach



Los Angeles



Irvine

OUR FIRM

- 95 years experience in the public accounting practice
- One of the largest CPA firms in California
- 29 partners and 180 professionals
- Serving over 3,000 businesses and more than 2,000 individuals including privately held businesses, exempt organizations, and high-net-worth individuals
- Three operating offices
- International reach

SERVICES

- Tax
- Audit & Assurance
- Employee Benefits
- Cybersecurity
- Human Resources Consulting & Placement
- Mergers & Acquisitions Strategy
- Outsourced Accounting Services
- Paycheck Protection Program (PPP) Loan Forgiveness
- Value Acceleration & Exit Planning

INDUSTRY RECOGNITION

- Acknowledged by **INSIDE Public Accounting** (IPA) as one of the top 25 “Best of the Best” accounting firms in the country
- **Accounting Today** Regional Leader and Firms to Watch
- Ranked as an **IPA** Top 200 Accounting Firms in the nation since its inception
- “Best Places to Work in Los Angeles and Orange Counties” for consecutive years by the **Los Angeles Business Journal** (LABJ) and **Orange County Business Journal** (OCBJ). For 2019, Windes was ranked #3 best place to work in Orange County.
- “24th” Largest Accounting Firm in Los Angeles County” by the **LABJ** (13th largest based on firms headquartered in the county)
- “17th Largest Accounting Firm in Orange County” by the **OCBJ**
- “2009, 2011, 2012, 2015, 2016, 2017 and 2019 Best Accounting Firms to Work For” in the country by **Accounting Today**
- Recognized by the **OCBJ** and **OneOC** as a “The Civic 50” in Orange County in 2017 and 2018. In 2019, Windes was the Medium Workforce Winner.
- Acknowledged by the **OCBJ** as a “2020 Companies that Care”



ORANGE COUNTY
BUSINESS JOURNAL

BEST PLACES
TO WORK

2 0 2 0

accountingTODAY

BEST
ACCOUNTING
FIRMS
TO WORK FOR
2019



LOS ANGELES BUSINESS JOURNAL

BEST

Places to Work 2020



INSIDE

PUBLIC ACCOUNTING

**TOP 200
FIRMS**

2017

PRESENTER BIOS

GUY NICIO

Guy has more than 20 years of public accounting experience. He is Chairman of the firm's Tax department and also serves on the firm's Board of Directors.

He focuses on tax planning, compliance, and consulting with start-up to middle-market businesses and their owners, working closely with his clients to analyze and maintain the most tax efficient structure to suit each client's unique situation.

Guy's tax experience and expertise includes analysis and selection of business entities, federal and multi-state income tax compliance for businesses and individuals, tax planning optimization and strategy, and audit defense.

He serves a wide variety of clients in the real estate, construction, manufacturing, professional services, healthcare, and restaurant industries, as well as high-net-worth individuals.

Guy also heads the firm's Comprehensive Office Solutions Group, which provides client accounting services such as bookkeeping, payroll solutions, sales and use tax compliance, business property tax returns, accounting software implementation and conversions, and fractional outsourced accounting solutions.



GUY NICIO, CPA, MST
PARTNER – CHAIRMAN, TAX

BELLA WANG

Bella joined Windes in 2000 and has over 20 years of experience in public accounting. Her practice focus is tax planning, consulting, and compliance for large and midsize domestic and international businesses and high-net-worth individuals.

Bella assists clients with business entity selection, tax ramifications related to mergers and acquisitions, and reorganization and planning for transactions. She specializes in international tax considerations, which includes international tax planning and compliance, and consulting on a broad range of inbound and outbound tax issues. Bella helps clients understand the implications of international tax developments to minimize their worldwide tax burdens, as well as advising on international mergers and acquisition transactions. She also consults on ASC 740 and ASC 740-10 analysis, including financial statement disclosure requirements.

Bella serves a number of industries, including manufacturing, real estate, wholesale, technology/E-commerce and retail, construction, transportation, oil and gas, import/export, professional services, and healthcare.

Bella is a contributing writer for the firm's *Solutions* newsletter and *Tax Alerts*. She is also an in-demand speaker and presents on various topics pertaining to new tax laws and tax planning strategies. In addition, Bella is in charge of training and mentoring internal staff. She is also fluent in Mandarin.



BELLA WANG, CPA, MST, CGMA
DIRECTOR, TAX