

## Small Business

Small business owners in all U.S. states and territories are currently eligible to apply for low-interest Economic Injury Disaster Loans (EIDL) of up to \$2 million that can provide vital economic support to help overcome the temporary loss of revenue due to the COVID-19 response. Applicants may request an advance in the amount of \$10,000 to be delivered within three days of the request. This advance must be used to:

1. Provide sick leave to employees unable to work due to the effects of COVID-19;
2. Maintain payroll to retain employees;
3. Cover increased costs of materials due to interrupted supply chains;
4. Make rent or mortgage payments; or
5. Repay other obligations that cannot be met due to revenue losses.

An applicant will not be required to repay this advance if it is used for these purposes, even if they are subsequently denied a loan under the EIDL program. Qualified businesses can apply online at [disasterloan.sba.gov/ela/](https://disasterloan.sba.gov/ela/). For application assistance, please contact an SBA customer service representative at 1-800-659-2955 or email [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov).

Small and medium sized businesses (with fewer than 500 employees) are also eligible to apply for SBA's expanded 7(a) loan program. This program is not provided through SBA directly, so the first step to qualifying for a 7(a) loan is to find an SBA approved lender in your community. Your lender can guide you through the application process and determine which 7(a) loan product will work best for your business.

Allowable uses of these loans include:

1. Payroll costs;
2. Certain costs related to the continuation of group health care benefits;
3. Employee salaries (including commissions);
4. Mortgage, rent and utilities payments; and
5. Interest on any other debt obligations that were incurred before the covered period.

A loan recipient may be eligible for forgiveness on a covered loan used for costs including payroll, mortgage and rent obligations, and utility payments.

If you have questions about the 7(a) loan program, you can contact the SBA at 1-877-475-2435 or email [7aquestions@sba.gov](mailto:7aquestions@sba.gov). If you are having trouble getting through to, or getting your questions answered by, the SBA, [please submit this form](#) and NAHB staff will follow up and provide additional guidance as needed.

## New Tax Benefits for Businesses

**Employee Retention Credit:** Eligible employers are allowed a credit equal to 50% of qualified wages with respect to each employee, on a quarterly basis. An eligible employer means any employer carrying on a trade or business in 2020 during which in any calendar quarter:

- The operation of the trade or business is fully or partially suspended during the appropriate calendar quarter due to orders from an appropriate governmental authority limiting commerce, travel, or group meetings due to COVID-19; or

- The trade or business experiences a significant decline in gross receipts, with a 50% decline in gross receipts when compared to the same quarter in the prior year. Businesses remain eligible until their gross receipts recover to 80% when compared to the same quarter in the previous year.
- Maximum wages, including health insurance benefits, eligible for the credit for all calendar quarters is \$10,000.
  - For businesses with 100 or fewer employees, generally all wages of full-time employees are eligible.
  - For larger businesses, only those wages paid to full-time employees who are not providing services due to a suspension of business operations or reduction in gross receipts are eligible.
  - Wages may also include an employer's qualified health plan expenses allocable to the employee.
    - **501 (c) tax-exempt organizations are eligible.**
    - Employers receiving a loan under section 7(a) of the Small Business Act are not eligible for the employee retention credit.
    - Credit is refundable to the extent it exceeds payroll taxes.



**JULIA BOGUE** Senior Manager, Federal Legislative

**National Association of Home Builders**

1201 15th Street, NW | Washington, DC 20005

**d:** 202.266.8320 **m:** 717.309.7476 **e:** [jbogue@nahb.org](mailto:jbogue@nahb.org) **w:** [nahb.org](http://nahb.org)

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