

AICPA Town Hall Series

April 8, 2021

AICPA Town Hall Agenda

1. Opening Comments & Policy Maker Update
2. Relief Programs Discussion
 - Final Stretch PPP, ERC, EIDL, SVOG, RRP
3. Hot Tax Topics
4. Open Forum and Closing Remarks

Webinar Housekeeping Particulars:

- **Earn CPE credit by responding to 75% of attendance pop-ups**
- You can also use the bottom tool bar to download materials and ask questions
- **Please refresh browser if video freezes**
- To access links in the deck, download to your local computer

Presenters

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Engagement With Stakeholders & Broad Ecosystem



Government

- Treasury, IRS
- SBA
- Policy Makers



Business Advisors

- 44K firms
- Other advisors
- AICPA Role



Information Providers

- Payroll Processors
- Tax & G/L data
- Other data



Lenders

- Banks
- Credit Unions
- Fintech lenders



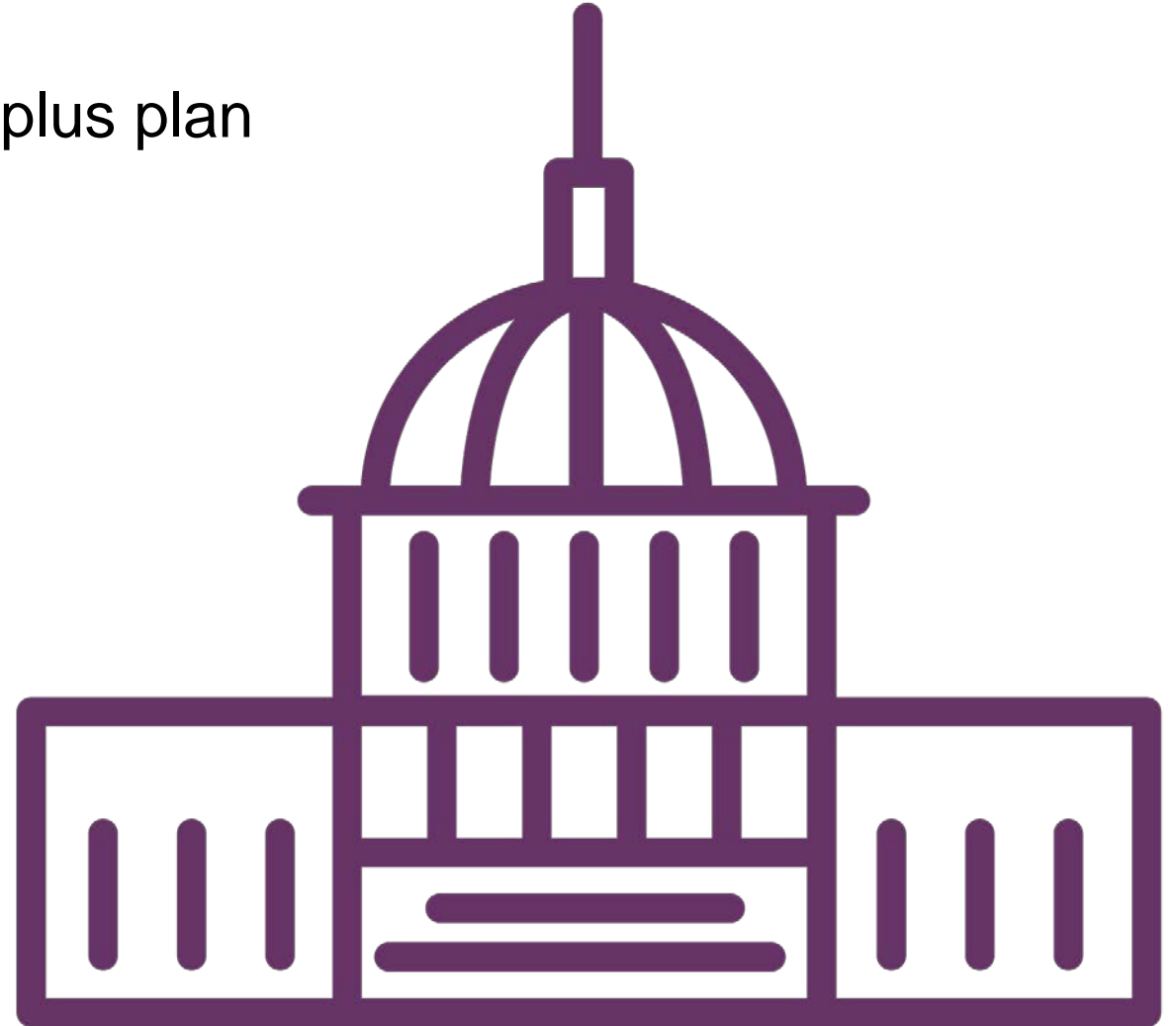
Senate Finance Committee Hearing

Lawmakers Worried about Small Business Impact

- House Legislation
- Statements by Chairs of Small Business Committees
- Statement from Chairman of Ways and Means Oversight Committee
- Senators eager to ask tough questions
- Tyranny of the Calendar

Policy Maker Key Topics

- Biden \$2.3 trillion infrastructure, tax plus plan
- Congressional oversight
- PPP Schedule C retroactive



Summary of 2021 PPP Approved Lending as of 4/4/21

Loans Approved	Net Dollars	Lender Count
3,997,635	\$223,574,562,746	5,244

Top PPP Lenders of 2021 PPP

Rank	Lender Name	Loans Approved	Net Dollars	Average Loan Size
1	JPMorgan Chase Bank	139,416	\$10,844,758,307	\$77,787
2	Bank of America	135,833	\$8,320,576,579	\$61,256
3	Itria Ventures LLC Biz2Credit Financial Subsidiary	235,790	\$6,480,068,357	\$27,482
4	Cross River Bank	216,490	\$5,132,531,065	\$23,708
5	PNC Bank	40,521	\$4,056,954,310	\$100,120
6	Capital Plus Financial, LLC	202,279	\$3,477,738,302	\$17,193
7	TD Bank	40,491	\$3,150,463,432	\$77,807
8	Truist Bank	30,898	\$3,076,273,989	\$99,562
9	Wells Fargo Bank	73,431	\$2,958,309,379	\$40,287
10	Customers Bank	138,841	\$2,941,315,468	\$21,185
11	U.S. Bank	56,419	\$2,846,801,579	\$50,458
12	Zions Bank	25,309	\$2,655,409,321	\$104,920
13	M&T Bank	21,608	\$2,642,792,449	\$122,306
14	KeyBank	22,783	\$2,633,204,193	\$115,578
15	Northeast Bank	24,545	\$2,486,116,106	\$101,288

Approvals through 04/04/2021

PPP Extension: Lender & Firm Activities

- Lender resolution of PPP application error codes
 - Ongoing improvements, but still thousands of apps held up
 - More capabilities being offered to resolve error codes
 - Also working additional documentation needs
- Many firms are reviewing Schedule C clients
 - Determining many clients were not aware of PPP eligibility
- Some lenders have stopped receiving new PPP applications
 - Other lenders plan to stop prior to funding running out
 - SBA official stated funds forecasted to run out in April



High Interest: 2021 Draw One Applicants Getting 2nd Draw

Information for clients who are seeking a 2nd Draw PPP loan after receiving a 1st Draw loan in 2021.

- SBA initially did not permit 2nd Draw loan applications for borrowers who only took their first PPP loan in 2021.
- New rule from SBA allows these borrowers to apply for and receive their 2nd Draw PPP loan.
- Must certify that funds from first round have been used (or will be used) by the time the second PPP loan is received.
- To qualify for a 2nd Draw PPP loan, the client's business must have experienced a revenue reduction of 25% or greater due to the COVID-19 pandemic.

**Paycheck Protection Program
Second Draw Borrower Application Form**

OMB Control No.: 3245-0047
Expiration Date: 7/31/2021

Check One: Sole Proprietor Partnership C-Corp S-Corp LLC DBA or Tradename (if applicable) Year of Establishment (if applicable)

Independent Contractor Self-Employed Individual

501(c)(3) nonprofit 501(c)(6) organization

501(c)(19) veterans organization Housing cooperative

Tribal Business Other

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: _____ E-mail 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):

Payroll Costs Rent / Mortgage Interest Utilities Covered Operations Expenditures

Covered Property Damage Covered Supplier Costs Covered Worker Protection Expenditures 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: \$ _____

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 not guilty, 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 on 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: _____		

SBA Form 2483 SD (1/21) 1

Increased Scrutiny on Applications

Department of Justice – Targeting PPP Fraudulent Activities

SBA Inspector General Details Actions to Combat Fraud in Testimony Before Congress

Bloomberg Tax

Reporter:
David Hood

March 24, 2021

Fraud probes in the Small Business Administration's pandemic-relief loan programs will take 10 years to resolve, according to the agency's watchdog.

SBA Inspector General Hannibal Ware said [fraud is so widespread](#) in the SBA's Paycheck Protection Program and Economic Injury Disaster Loan program that it will take a targeted effort to oversee them and crack down on fraudulent activity, despite a 40% increase in staffing provided by recent legislation.

“Fraud investigations will be a decade-long effort due to the performance of those loans within SBA’s portfolios, and the statute of limitations for fraud,” Ware said Wednesday during a Senate Small Business Committee hearing.

While the twin programs have [saved businesses](#) from failing due to the pandemic, they have also fallen prey to fraudsters taking advantage of the government.

The SBA has made or guaranteed more than 17 million loans and grants, providing about \$910 billion so far. But financial institutions have flagged more than 41,000 suspicious activities related to the programs from last April through October, William Shear, director of the Government Accountability Office's Financial Markets and Community Investment unit, said during the hearing.



Department of Justice Statement About Actions the Department is Taking Against SBA Loan Fraud on March 26, 2021

These cases involve attempts to obtain over \$569 million from the U.S. government and unsuspecting individuals through fraud and have been brought in 56 federal districts around the country.



SBA Inspector General Hannibal Ware's testimony before the Senate Small Business Committee on March 25, 2021

OIG has increased staffing in both its Auditing and Investigations Divisions with the supplemental funds appropriated to our office to increase our review and investigative capacity by approximately 40 percent. The supplemental funds are available until exhaustion, with some funding being directed for the purpose of EIDL oversight. These supplemental funds are critical for this initial oversight

PPP Forgiveness Statistics as of 4/1/21

Total 2020 PPP volume	5.2M
Forgiven	2.4M
Under review	290K
Applications not yet received	2.5M

Total 2020 PPP Volume = \$521.2B
\$209.1B has been forgiven*

*Many PPP Forgiveness Applications above
\$2 million well past 90-day period

Business Relief Programs



Key Federal Business Relief Options

- Paycheck Protection Program
- Employee Retention Credit
- Covid-19 Economic Injury Disaster Loan
- Targeted EIDL Advance
- Shuttered Venue Operators Grant
- Restaurant Revitalization Fund
- SBA Debt Relief



Help your clients navigate the options

- Know the basics
- Identify the relevant programs for your clients
- Develop strategy to build capacity or refer to your network
- Communicate options to clients and set expectations

Updated Summary of PPP



Updated for
March 11
American Rescue
Plan and March
30 PPP Extension
Act

Summary of the Paycheck Protection Program (PPP) after Legislative and Administrative Changes

As of March 30, 2021

Most up-to-date version is [available here](#).
You'll need a free account to access.
Creating it is easy – just your email
address and a password!

TOPICS COVERED:

First Draw Borrowers:	Simplified forgiveness \$150k
• Eligibility	
• Loan amount	Impact of EIDL advances
Second Draw Borrowers:	Deductibility
• Eligibility	
• Loan amount	Using ERC and PPP
• Calculating revenue decline	New categories of expenses
Economic necessity	Practice management considerations
Covered periods	
Modifying first draws	Links to forms and guidance
Excess loan amounts due to errors	
Forgiveness – first and second draws	

SBA and Treasury PPP Guidance

As of March 23, 2021

The guidance and forms issued by the SBA and Treasury are integral to understanding PPP. Please review the authoritative resources listed below as you have questions about the program. For more information and updates visit [SBA.gov/PPP](https://www.sba.gov/PPP) or [Treasury.gov/Cares](https://www.treasury.gov/Cares).

Provides links to authoritative resources, including:
Loan application forms and guidance

- Loan forgiveness forms and guidance
- Loan necessity questionnaires and borrower disclosures
- FAQs

Most up-to-date version is [available here](#).

FAQs are updated for American Rescue Plan

Paycheck Protection Program (PPP) FAQs

As of March 17, 2021

This series of frequently asked questions (FAQs) provide answers to questions we are hearing from our members about the Paycheck Protection Program (PPP). There are currently two draws available established and modified as follows:

1st Draw PPP – Created by the Coronavirus Aid, Relief, and Economic Security (CARES) Act (effective March 27, 2020), modified by the Paycheck Protection Program Flexibility Act of 2020 (effective June 5, 2020) and by the Economic Aid to Hard-Hit Small Businesses, Nonprofits and Venues Act (the Economic Aid Act), which became law as a part of the [Consolidated Appropriations Act, 2021](#). (effective Dec. 27, 2020). Also modified by the [American Rescue Plan Act](#) (effective March 11, 2021)

2nd Draw PPP – Created by the Economic Aid Act (effective Dec. 27, 2020). Modified by the [American Rescue Plan Act](#) (effective March 11, 2021)

Most up-to-date version is [available here](#).

Common questions: PPP Covered Period

- What happened to the alternative covered payroll period?
 - Because the Economic Aid Act changed the loan forgiveness covered period from either an 8- or 24-week period to a covered period between 8 and 24 weeks at the election of the borrower, SBA eliminated the “alternative covered period”.
- When does the covered period begin?
 - The “loan forgiveness covered period” is the period beginning on the date the lender disburses the PPP loan and ending on any date selected by the borrower that occurs during the period (i) beginning on the date that is 8 weeks after the date of disbursement and (ii) ending on the date that is 24 weeks after the date of disbursement.
- [Per Interim Final Rule on Paycheck Protection Program as Amended by Economic Aid Act](#)

Cross-program Eligibility on SBA COVID-19 Relief Options

	PPP Applicant	SVOG Applicant	COVID-19 EIDL Applicant	Restaurant Fund
PPP recipient	First Draw PPP borrowers may be eligible to apply for Second Draw PPP loans	May apply if received a PPP loan prior to applying for SVOG. If PPP loan received on or after Dec. 27, 2020, the amount will be deducted from SVOG.	May apply for EIDL, but cannot be used for the same purpose/costs as PPP	May apply for RRF grant but must reduce pandemic-related revenue losses by any PPP amounts received.
SVOG recipient	May not apply for PPP loan after receiving SVOG	May be eligible to receive a supplemental SVOG award	May apply for EIDL, but cannot be used for the same purpose/costs as SVOG	Entity may not apply for RRF if they apply for/receive SVOG
COVID-19 EIDL recipient	May apply for PPP, but cannot be used for the same purpose/costs as EIDL	May apply for SVOG, but cannot be used for the same purpose/costs as EIDL	The same business cannot apply for more than one EIDL	<i>Awaiting clarification from the SBA</i>
Restaurant Fund recipient	Pandemic-related revenue losses are reduced by PPP First and Second Draw loans in 2020 and/or 2021.	Entities who apply for/receive SVOG cannot apply for RRF grant	<i>Awaiting clarification from SBA</i>	May be eligible to receive a supplemental RRF grant

Employee Retention Credit

- Created by Coronavirus Aid, Relief, and Economic Security Act in March 2020
 - Set to expire December 31, 2020
 - [IRS Notice 2021-20](#): authoritative guidance on wages paid March 13 – December 31, 2020
 - Interplay of qualified wages with wages reported on PPP loan forgiveness applications
 - Form 941 / Form 941-X filing rules for PPP loan borrowers
- Taxpayer Certainty and Disaster Relief Act in December 2020
 - Enhanced rules and extended credit to June 30, 2021
 - [IRS Notice 2021-23](#): authoritative guidance on wages paid January 1, 2021 – June 30, 2021
 - Rules on the election to use alternative quarter to calculate gross receipts
- American Rescue Plan Act in March 2021
 - Enhanced rules and extended credit to December 31, 2021
 - Guidance pending on wages paid July 1, 2021 – December 31, 2021

Employee Retention Credit: IRS Notice 2020-23

- Public colleges, universities, public health care entities can claim the credit
- Qualified wages per employee increased from \$10K for the year to \$10K per qtr.
- Credit calculation increased from 50% to 70% of qualified wages
- Significant decline in gross receipts based on 20% versus 50% of 2019 gross receipts
- Election to use prior qtr. gross receipts to determine eligibility
- All wages qualify if employer \leq 500 employees. Employers $>$ 500 employees only wages paid to employees not rendering services qualify. In 2020 test was \leq 100 employees
- Employers not in existence in 2019 can claim the credit
- Employers \leq 500 employees qualify for advance payment of the credit

Employee Retention Credit: Top 5 (+1) Questions

1. Do qualified wages include S corporation owners/spouses?
 - AICPA urged IRS & Treasury to issue guidance ASAP
2. Use full-time employees or full-time equivalents to determine # of employees?
 - Full-time employees (average at least 30 hours/week or 130 in a month)
3. Are PPP loan forgiveness proceeds included in gross receipts?
 - AICPA urged IRS & Treasury to issue guidance ASAP
4. Do aggregation rules apply to affiliated entities? Are they the same rules that apply to PPP loan recipients?
 - Yes and No.

Employee Retention Credit: Top 5 (+1) Questions

5. How do I claim the ERC?

- Credit for 2020:
 - Employer with no PPP loan: File Form 941-X for *each* quarter credit claimed
 - Employer with PPP loan forgiveness: File Form 941-X for *each* quarter credit claimed
 - Employer with no PPP loan forgiveness: File Form 941 for Q4 2020 or 941-X for *each* quarter credit claimed
- Credit for 2021:
 - Reduce payroll tax deposits (fed. income tax withheld from employees, SS & Medicare taxes of both employees and employer)
 - File Form 7200 to request a credit advance, subject to limitations
 - File Form 941

Plus 1. When to report the reduction of wages on federal income tax return?

Caution: 3508S Forgiveness Form and ERC

Remember: if borrower is eligible for ERC, report least amount of payroll costs needed for forgiveness (60/40 payroll to non-payroll).

- Allows flexibility to maximize ERC.
- See [Notice 2021-20](#) and March 4 Town Hall
- ***If using 3508S, there's no place to put non-payroll costs.***

A BORROWER MAY USE THIS FORM ONLY IF THE BORROWER RECEIVED A PPP LOAN OF \$150,000 OR LESS

Business Legal Name ("Borrower")		DBA or Tradename, if applicable	
Business Address	NAICS Code	Business TIN (EIN, SSN)	Business Phone
			() -
		Primary Contact	E-mail Address

First Draw PPP Loan Second Draw PPP Loan (check one)

SBA PPP Loan Number: _____

Lender PPP Loan Number: _____

PPP Loan Amount: _____

PPP Loan Disbursement Date: _____

Employees at Time of Loan Application: _____

Employees at Time of Forgiveness Application: _____

Covered Period: _____ to _____

If Borrower (Together with Affiliates, if Applicable) Received First Draw PPP Loans of \$2 Million or More or Second Draw PPP Loans of \$2 Million or More, Check Here:

Amount of Loan Spent on Payroll Costs: _____

Requested Loan Forgiveness Amount: _____

COVID-19 EIDL Loans

- Beginning April 6, the loan limit for COVID-19 EIDL loans will increase
 - Up to 24 months of economic injury with a maximum loan amount of \$500,000
 - Was 6 months, up to \$150,000
- Existing COVID-19 EIDL borrowers will be able to request an increase
 - SBA will provide updated instructions on how to request a loan increase on SBA.gov
 - Also will reach out directly via email to existing COVID-19 borrowers with loans approved prior to the increased loan limit taking effect
- Basics on EIDL:
 - **Not forgivable loans** like PPP nor are they grants
 - 30 year term at 3.75% for businesses and 2.75% for nonprofits
 - Use for working capital and normal operating expenses
 - Collateral required for loans over \$25k
 - Pay attention to restrictions

Targeted EIDL Advances

- **Targeted EIDL Advances** were included in the Economic Aid Act
- Additional \$15B provided by [American Rescue Plan](#) (See Sec. 5002)
 - And per Sec. 9672, tax free and expenses paid with advance are deductible
- Provides businesses located in **low-income communities** with advances of up to \$10,000
 - For applicants who previously received an EIDL Advance for less than \$10,000,
 - Or those who applied but received no funds due to lack of available program funding.
- [Targeted EIDL Advance FAQs](#) describe the process.
- SBA will reach out to those who qualify.
- **NEW:** \$5,000 supplemental grants to businesses in low-income communities with economic loss of greater than 50% and has no more than 10-employees

Shuttered Venue Operators Grant

- \$16B available for **grants** that can equal to 45% of their gross earned revenue (max of \$10M). Administered directly by SBA.
- For venue operators, theatrical producers, museum operators, talent representatives, and other art related specialties in the live arts and entertainment industry
- Grant program opens today (April 8)
 - [SVOG-specific version of IRS Form 4506T](#)
 - All eligible entities **can apply today** but there are preference periods for funding
- [New FAQs added April 6, 2021](#)
- Must have been in operation as of Feb. 29, 2020
- See [March 18 Town Hall](#) and [April 1 Town Hall](#) for review of program details.
- AICPA resource: [Understanding the Shuttered Venue Operators Grant Program](#)

See SBA site for other program info including allowable use of funds.



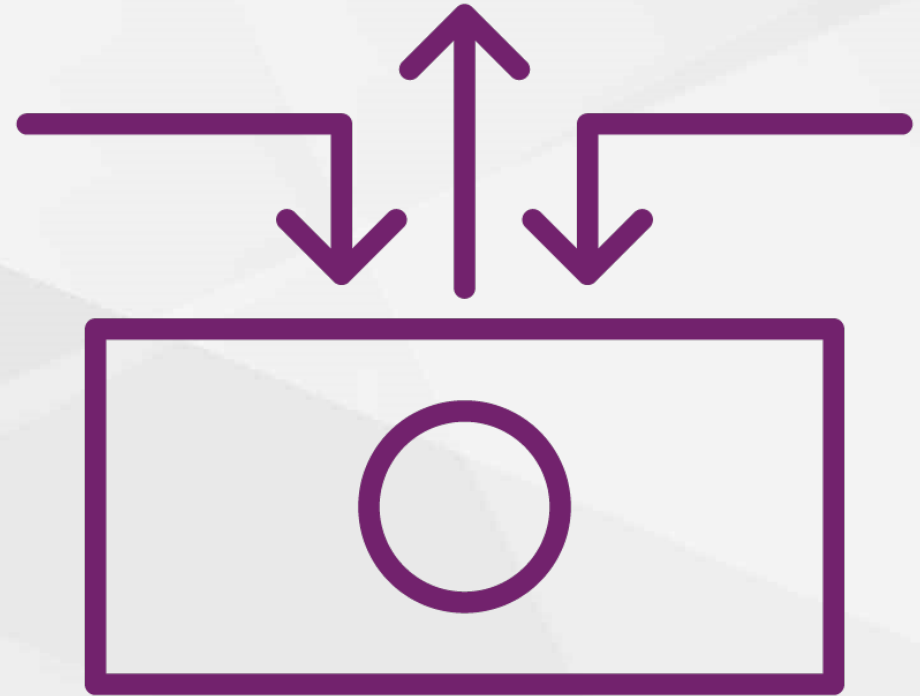
Restaurant Revitalization Fund

- See March 18 Town Hall for review of program details
 - \$28.6B billion provided by American Rescue Plan (See Sec. 5003)
 - **Grant program** to be administered by SBA
 - **Not open as of April 8.** Look for late April, early May rollout.
 - Grant amount is 2019 gross receipts less 2020 gross receipts*
 - Reduced by any PPP loan
 - Maximum grant = \$5 million per physical location/\$10 million per entity
 - Not subject to income tax
 - Good faith certification required: uncertainty of current economic conditions makes necessary the grant request to support the ongoing operations
- * Act contains provisions for businesses not in operation all of 2019, opened after 1/1/20 or not open yet.



This program is not yet open. Only information available to-date is in the American Rescue Plan Act.

Hot Tax Topics



Active #taxtwitter Discussion



Wendy Mortensen @wndywitch · Apr 1



Have we all decided we can make a larger payment with the **extensions** before 5/15 and it can be used as over payments applied. Instead of figuring out 1st qtr estimates right? [#taxtwitter](#)



Dan Herron @fintaxdude · Mar 18



Rettig on **Q1** estimates - May 17th doesn't apply to **Q1** payments!!!! Why not? High income earners forgo **Q1** and invest that money. What about the less fortunate?? [#TaxTwitter](#) [#TaxSeason](#)



Joanna P. @jopow2411 · Mar 27



[#taxtwitter](#) let's say you have a situation where your projected overpayment will cover your 2021 est liability, with the deadline extension you still have to make **q1** to avoid 1 mo penalty??



GPW CPAS @GPW_CPAS · Apr 1



The push back momentum on the IRS has obviously given up on the hopes of a June 15th **extension**. Will the IRS take the compromise and at least extend the Q1 estimate payments to May 17th?

[#TaxTwitter](#) [#Tax](#) [#Taxpros](#)



Members of Congress request estimated tax deadli...
A bipartisan group of 60 members of Congress wrote the IRS, urging that the deadline for first ...
[thetaxadviser.com](#)



Eric R. Wenger @EricRWenger · Mar 18, 2020



Notice 2020-17 applies to pmts due 4/15 only. If a taxpayer intentionally builds **Q1+Q2** estimates into Fed Ext pmt due 7/15 have they successfully circumvented a 6/15 2Q ES deadline? [#TaxTwitter](#)

Hot Tax Topics – What's keeping you up at night?

- Deadline for Q1 estimated payments
- Extending gift tax returns
- Erroneous notices
- Delayed response to notices
- Rejected eFiled returns
- Missing guidance



John Copeland @JohnCopelandCPA · 19h

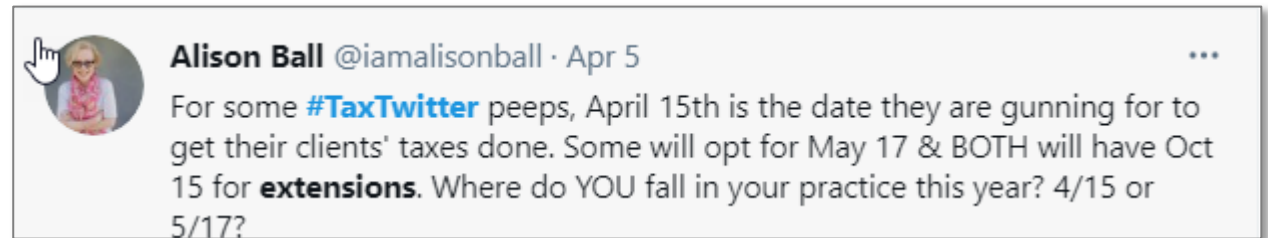
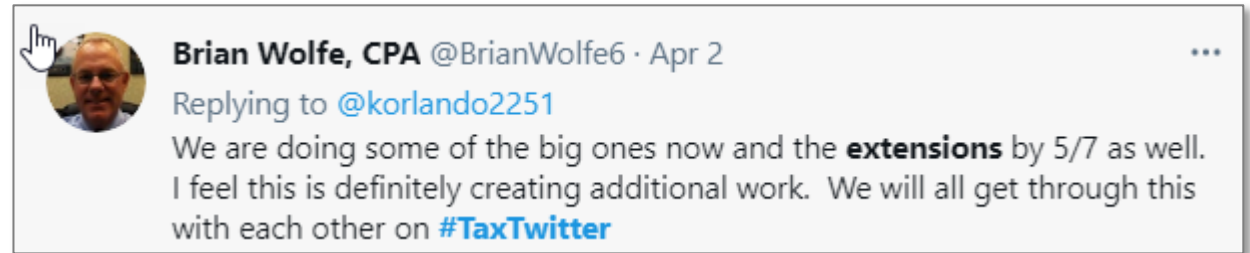


Thoughts on making **extension** payment on 4/15...Does resulting 2020 overpayment applied to 2021 have a 4/15 date with IRS (i.e., timely Q1 2021) or 5/17 (one month late)? [#taxtwitter](#)

Hot Tax Topics – Firm strategies & best practices

- April 15 or May 17?
 - Q1 estimates
 - Extensions

- Working with IRS
 - Rejected filings
 - Resolving open cases



Hot Tax Topics – Practical resources

- Managing client expectations
 - [Tax Extension FAQs for Clients](#) (AICPA members)
 - [Extension Reminder Letter for Client Tax Return](#) (AICPA members)
- Covid-related tax resources
 - [Coronavirus and Tax Impacts FAQs](#) (AICPA members)
 - [Summary of American Rescue Plan Act of 2021](#)
 - [State Tax Due Dates Updated for COVID-19 Relief](#) (all)
 - [Explore tax aspects of the American Rescue Plan Act of 2021](#) (all)

Open Forum

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Recent AICPA Town Hall Series

- [April 1 AICPA Town Hall](#)
 - One year of pressure points, new guidance and recommendations, top issues, small firm perspective
- [March 25th AICPA Town Hall](#)
 - Policy maker activities, new guidance review, SVOG, Restaurant Fund, ARPA tax provisions overview.
- [March 11th Special Edition Recording](#)
 - Key PPP developments, Accounting for PPP
- [March 4th AICPA Town Hall](#)
 - ERC update, review of latest IFR, legislative and lender update with Barry Melancon.
- [February 26th Special Edition Recording](#)
 - Biden PPP announced changes, SBA & Lender processing update, tax news.
- [February 18th AICPA Town Hall](#)
 - Legislative & New Administration update, SBA and Lender processing update, recommendations.

Note: Replays can also be found at [AICPA TV](#) - select the Town Hall Series link.



Calculators

- Loan amounts
- Loan forgiveness (incl. simple version)
- FTEs and safe harbors



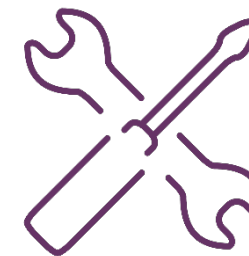
Education

- **Summary of PPP updated as program changes**
- **FAQs**
- Overviews of forgiveness



CPA Resources

- **Accounting & Reporting (CPEA)**
- CPA service matrix
- Sample AUP engagement letters, reports procedures
- Independence & ethics



Other Tools

- [CPAloanportal.com](https://www.cpa.com/loanportal)
- Updated list of guidance & forms
- Forgiveness filing decision aid
- Fillable forgiveness applications

Semi Weekly Live Service Updates



CPA **Business Funding** Portal

Live PPP Service Updates

Tuesdays and Thursdays
10:00 -11:00am EST

CPALoanPortal.com

[Click Here to Attend](#)

Hear from CPA.com and Biz2Credit leadership as we explain service and experience updates at the CPA Business Funding Portal

- ✓ CPA Business Funding Portal feature updates and new fixes.
- ✓ SBA communications updates and clarifications on error messages.
- ✓ Application processing timeline updates.
- ✓ Best practices for getting the answers your clients need.

Important Resources & Information

Expand each section below to view and access applicable support resources for you and your clients.



PPP RESOURCES, UPDATES, AND INFORMATION

A Call for PPP Deadline Extension

[Read letter sent on March 1 to US House and Senate leaders by dozens of organizations](#)

[Read the AICPA press release](#)

Feb. 22, 2021:

White House Announces Changes to PPP

[Read statement](#) [View top takeaways](#)

New York Times, Feb. 22, 2021:

Biden Changes P.P.P. Rules to Help the Self-Employed

[Read article](#) [Download article](#)

New York Times, Feb. 22, 2021:

Fraud Checks and Errors Slow Small-Business Relief Loans

[Read article](#) [Download article](#)

Journal of Accountancy Updated: Feb. 22, 2021:

PPP processing delays continue

[SBA Paycheck Protection Program \(PPP\) resources for CPAs](#)

[SBA Paycheck Protection Program \(PPP\) FAQs](#)

[PPP Summary after Economic Aid Act](#)



KEY CUSTOMER SERVICE UPDATE HIGHLIGHTS AND ON-DEMAND TRAINING

On-Demand Training Tips

Other Important Updates

On-Demand Training Tips

Customer Care Training Tips & Updates Posted: 3/2/21
Our 3/2 training focused on the current post submission application journey, error resolution strategies and agent best practices. Additionally, a review of the existing resources available on-demand and where to go for support.

[Read document](#) [Watch video](#)

2/23 Best Practices Training Posted: 2/23/21
Kari Hipszak, CPA, Sr. Manager of Firm Services at the AICPA, reviews common application mistakes firms should avoid.

[Read document](#) [Watch video](#)

Calculation of 2.5x or 3.0x for Certain NAICS Codes [Reuploading of Documents](#) [Incorrect Loan Amounts](#) Posted: 2/23/21

[Watch video](#) [Watch video](#) [Watch video](#)

Customer Care Update Posted: 3/1/21
Hint from Jessica Clemens, Customer Success Manager at CPA.com, review our resource hubs, differences in customer care teams, and some of the top support inquiries.

[Read document](#) [Watch video](#)

AICPA PPPS Pro Tips: Application Insights Posted: 3/1/21
Kari Hipszak, Sr. Manager Firm Services at the AICPA reviews what firms should consider around key platform inputs on loan eligibility and ownership information.

[Read document](#) [Watch video](#)

Application Tips from the AICPA Posted: 3/1/21
Kari Hipszak, Sr. Manager Firm Services at AICPA, provides advice for firms using the CPA Business Funding Portal in streamlining the experience for clients.

[Read document](#) [Watch video](#)

Other Important Updates

Other Important Updates

PPP & Portal Updates and Guidance on Schedule C Filers Posted: 3/2/21
Hear the discussion on overall PPP status updates as well as where sole proprietor rules stand, and guidance on action to take.

[Read document](#) [Watch video](#)

Operational Updates – Error Code Resolution & New Features Review Posted: 3/2/21
Learn the most common error codes and how to direct clients to manage the resolution process directly within their Portals. Additionally, review our a newly launched funnel report which helps firms visualize client application progress within a single screen.

[Read document](#) [Watch video](#)

SBA Application Processing Updates Posted: 2/23/21
In response to Monday's announcement from the White House, firms should be aware of the process changes and potential impact on clients which include 2-week priority to smallest businesses (20 or fewer employees) and guidance when filing applications for sole proprietors.

[Read document](#) [Watch video](#)

Operational Updates – PPP Application Errors Handling Posted: 2/23/21
This update discussed the PPP error resolution strategy in detail as well as reviewed what you and your clients need to know about the validation response messages.

[Read document](#) [Watch video](#)

Recent Changes to the Paycheck Protection Program Posted: 2/23/21
The Biden-Harris Administration announced changes to the PPP that will

Key ERC Resources

AICPA Tax Section resource:

- [ERC Guidance and Resource Hub](#)

Journal of Accountancy:

- [IRS issues employee retention credit guidance](#)

IRS:

- [Notice 2021-20](#)
- [Form 7200, Advance Payment of Employer Credits Due to COVID-19](#)
- [Form 941, Employers Quarterly Federal Tax Return](#)
- [Didn't Get Requested PPP Loan Forgiveness?](#)

Key resource: PPP State Tax Treatment Chart

Last revised March 29

AICPA members
can access in the
AICPA's COVID-19
tax resource hub



Chart

PPP state tax treatment

Tax Section

Paycheck Protection Program (PPP) State Tax Treatment Chart

Purpose of chart: Use this chart to determine whether states treat Coronavirus Aid, Relief and Economic Security Act (Public Law 116-136) (CARES Act) Paycheck Protection Program (PPP) loan forgiveness as taxable income. Also, use this chart to determine whether a state allows the deductibility of expenses paid with PPP loan amounts as provided for federal tax purposes by the Consolidated Appropriations Act, 2021 (CAA).

State	Taxability of CARES Act PPP loan forgiveness	Deductibility of expenses paid with PPP loan proceeds as provided by the CAA
Alabama	<p>Not taxable.</p> <p>Amounts for which the taxpayer has received loan forgiveness under the CARES Act PPP are not included in the calculation of an individual taxpayer's 2020 Alabama income liability.</p> <p>21st Supplemental Emergency Proclamation</p>	<p>Deductible.</p> <p>In calculating their 2020 Alabama income tax liability, taxpayers may deduct expenses paid with PPP loan amounts that have been forgiven or that the taxpayer reasonably expects to receive forgiveness even if the taxpayer has not applied for forgiveness of the loan by the end of the 2020 tax year.</p>

Resource: Unemployment Benefit Exclusion Blog


The screenshot shows a blog post on the AICPA website. The header includes the AICPA logo and a navigation menu with links for Home, Our Bloggers, Archives, Categories, and Become a Guest Blogger. The main title of the blog post is 'How are states dealing with the unemployment benefit exclusion?' and it is dated 'Posted by Guest Blogger on Apr 02, 2021'. Below the title is an image featuring a \$100 bill, a \$1040 tax form, and the Statue of Liberty. To the right of the image is a short paragraph of text. Below the image and text is a section titled 'Where we are now?' followed by a detailed paragraph explaining the tax exclusion under the American Rescue Plan Act.

AICPA

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How are states dealing with the unemployment benefit exclusion?

Posted by Guest Blogger on Apr 02, 2021



Millions of people lost their jobs and filed for unemployment benefits each week for the past year. There are 10 million Americans still unemployed, according to the latest Labor Department statistics. After a hard year during the pandemic, many people couldn't wait to get their taxes done to close the chapter on 2020 and start fresh in 2021.

Where we are now?

Under the [American Rescue Plan Act](#) that President Biden signed March 11, 2021, Americans who received unemployment benefits last year can retroactively claim a [tax exclusion](#) of up to \$10,200 of unemployment benefits received in 2020. In other words, the first \$10,200 of unemployment benefits are exempt from federal income tax for households with an adjusted gross income under \$150,000 (single or married). If you're married, you and your spouse can *each* exclude up to \$10,200 of unemployment compensation (\$20,400 in total). Depending on your tax bracket, that could result in an additional refund of more than \$1,000.

While this helps a lot of people struggling with the effects of the pandemic, it creates significant compliance burdens for tax practitioners, tax legislators and tax software companies. The tax exclusion up to \$10,200 also creates a lot of unanswered questions.

Join the Conversation, Stay Informed #AICPATownHall



ErikAsgeirsson
@ErikAsgeirsson

Good summary by @Zachary .
Biden's PPP changes are just being fully understood by Schedule C filers & they need time to get these apps to lenders. Think Chamber & NFIB comments more focused on the small businesses with employees not these Schedule C filers.



Zach Warmbrodt @Zachary · 2d

The PPP — Washington's nearly \$1 trillion small business rescue — is about to run out of money again.

Groups are warning it could leave thousands...

[Show this thread](#)



SBA
@SBAgov

Reminder: The Shuttered Venue Operators Grant application portal is slated to open **tomorrow!**

Sign up to be notified when the application portal opens:
svograntportal.sba.gov/s/

Learn more about the program:
sba.gov/svogrant

Shuttered Venue Operators Grant



Accepting applications starting on April 8

sba.gov/svogrant



Edward S. Karl, CPA
@EdwardKarlTax

The #AICPA provided recommendations to #IRS, Office of Professional Responsibility on recommended changes to Circular 230. #AICPAtax #TaxTwitter #ethics
aicpa.org/content/dam/ai...

7:00 AM · 4/2/21 · Twitter for iPhone

Wrap-up & Next Steps

AICPA Town Hall Series

- Town Hall scheduled for April 22nd at 3pm ET with Barry Melancon
 - AICPA Members who have attended a Town Hall are auto registered (unless opt-out)
 - New registrations:
 - www.aicpastore.com/townhallseries
- Stay tuned via LinkedIn and Twitter for the latest info #AICPATownHall

