

Dear Randy,

Thank you for contacting my office about the need for additional relief for small businesses in response to COVID-19. This pandemic is a serious and evolving situation, and I know the uncertainty this has brought to families, communities, and businesses.

I recognize the need for additional relief for those industries hardest hit by this crisis. Created through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Paycheck Protection Program has provided small businesses, nonprofits, independent contractors, and the self-employed with the liquidity needed to weather the storm brought on by COVID-19. These loans can provide up to \$10 million in relief, covering payroll support, mortgage or rent payments, and utility costs. In total, the \$660 billion programs have led to over 5.2 million loans under as of August 8. For Ohio, the program has provided over 149,000 loans totaling \$18.5 million in funding. The extended application period for the PPP closed on August 8, with \$130 billion left unused. For EIDL grants, the CARES Act has provided over \$20 billion in EIDL advances and \$150.2 billion in loans, including \$479 million in advances and \$3.17 billion in loans to Ohio. There are legislative efforts to provide a second draw of PPP loans capped at \$2 million for businesses with 300 or fewer employees and revenue losses of 35 percent or more in the next package.

Passed on June 5, the Paycheck Protection Flexibility Act (H.R. 7010) provided significant flexibility on PPP loans. Specifically, H.R. 7010 changes the period for calculating forgiveness from eight weeks to 24 weeks. In addition, it allows borrowers to receive an exemption from the employee headcount threshold of 75 percent of February 2020 levels if an a) an employee has turned down the offer to return to work in good faith or b) if a business cannot return to their February 2020 level of business due to public health guidelines. The law also changes the payroll cost threshold for loan forgiveness from 75/25 to 60/40, meaning borrowers can use up 40 percent of the loan on non-payroll costs and still receive forgiveness. Lastly, it changes the loan repayment period for the non-forgiven loan from two years to five years and extends the deferment on the payment of the loan principal and interest from six months after disbursement to 10 months after the date of the forgiveness application.

Our next response must include funding for our continued fight against COVID-19. This means more funding for testing, contact tracing, PPE, and vaccine development. Second, we must help employers and employees return to work safely. As part of this negotiation, I believe Congress should and will extend the federal unemployment insurance benefit in some form. However, we should ensure people aren't being paid more on U.I. than they would if they were going to work. We should also provide hiring incentives on the employer side. I support an expansion to the Work Opportunity Tax Credit to create a category for employees furloughed due to COVID-19. I also support repurposing the Employee Retention Credit from the CARES Act to form a more encompassing hiring credit. Through these hiring incentives, we can provide businesses that are reopening with some additional breathing room while also encouraging more individuals to return to the workforce.

As people go back to work, we also must ensure workplaces are safe. That's why I introduced the Healthy Workplace Tax Credit, which gives employers a credit on payroll taxes toward additional safety measures, such as reconfiguring workplaces, putting up Plexiglas, buying more PPE, and increasing testing. This tax credit will support our efforts to make our workplaces

healthy and safe as well as build the consumer confidence we need for a strong economic recovery.

The Reviving the Economy Sustainably Towards A Recovery in Twenty-twenty Act (RESTART) of 2020 (S. 3814) creates a loan program that can cover up to 6 months of payroll benefits and fixed operating expenses of businesses with 5,000 employees or less. Eligible recipients include nonprofits, veterans' organizations, self-employed individuals, and independent contractors. The RESTART loans have a maximum duration of seven years at an amount no greater than 45 percent of 2019 gross receipts or up to \$12 million in annual revenue. No principal payment is due in the first two years of the loan term.

I am supportive of a mechanism to ensure those hardest hit industries have access to additional funds to maintain cash flows while we continue to respond to COVID-19 and will support a legislative package that includes the RESTART Act.

Thank you again for taking the time to contact my office. For more information, you can visit my website at <https://www.portman.senate.gov/coronavirus-information>. Please keep in touch.

Sincerely,

Rob Portman  
U.S. Senator