

On December 21, 2020, Congress passed the [Consolidated Appropriations Act, 2021](#) (H.R. 133) to provide more than \$900 billion in emergency assistance for individuals, families, nonprofits and businesses.

ASAE is extremely grateful that Congress provided access to Paycheck Protection Program (PPP) loans for thousands of nonprofit associations and other 501(c)(6) organizations, and for the tireless advocacy and unwavering support from our members and associations across the country.

Beginning early next year, 501(c)(6) nonprofits can apply for PPP loans under the following criteria:

- The organization does not receive more than 15 percent of receipts from lobbying activities (**up from initially proposed 10 percent**);
- The lobbying activities do not comprise more than 15 percent of total activities (**up from initially proposed 10 percent**);
- The cost of lobbying activities of the organization did not exceed \$1,000,000 during the **most recent tax year that ended prior to February 15, 2020**; and
- The organization has 300 or fewer employees (**up from initially proposed 150**).

ASAE helped lead the Congressional advocacy efforts to include as many 501(c)(6)s in the PPP as possible. Please note it remains unclear as to what comprises “receipts” or “activities.” Guidance from the Small Business Administration (SBA) is expected imminently.

Beyond PPP expansion to nonprofit associations and other 501(c)(6) organizations, the year-end legislation includes several important provisions for first – **and second** – PPP applicants:

- Loans are available until March 31, 2021 (i.e., deadline to apply for PPP).
- The loan forgiveness process is simplified for loans of \$150,000 or less.
- Organizations with 300 or fewer employees that can demonstrate a revenue decline of at least 25-percent in any quarter in 2020 over the same quarter in 2019 can receive a **second PPP loan of up to \$2 million**.
- \$35 billion of PPP funds are reserved for first time loan recipients.
- Forgiven PPP loans will not be classified as income and tax deductions are now allowed for expenses paid with proceeds of forgiven PPP loans.

ASAE played a major role to advocate for these provisions in Congress. For more information on PPP and other SBA provisions, read the [section-by-section overview](#).

H.R. 133 also includes several proposals from [ASAE’s July 2020 letter to Congress](#) that support associations and other 501(c)(6) organizations, among others:

PROVISION	SUMMARY & ELIGIBILITY
Economic Injury Disaster Loans (EIDL)	Additional \$20 billion added to the EIDL Program. These loans provide eligible applicants with favorable 30-year loans accompanied by forgivable grants, as an advance, of up to \$10,000. Payments on these loans are deferred for a year. Applicants must employ 500 or fewer employees and demonstrate a working capital loss due to COVID.
Employee Retention Tax Credit (ERTC)	Extends the refundable tax credit starting January 1, 2021 through July 1, 2021 and significantly expands access: <ul style="list-style-type: none"> • Increases the limit on per-employee creditable wages from \$10,000 for the year to \$10,000 for each quarter; • Increases the credit rate from 50 percent to 70 percent of qualified wages; • Expands eligibility by reducing the required year-over-year decline in gross receipts from 50 percent to 20 percent;

Employee Retention Tax Credit (ERTC)	<ul style="list-style-type: none"> Increases the 100-employee delineation for “large employers” for determining the relevant qualified wage base to employers with 500 or fewer employees; Allows employers with 500 or fewer employees to advance the credit at any point during the quarter based on wages paid in the same quarter in a previous year; and Retroactive to the CARES Act, <i>this bill would clarify that employers who received a PPP loan may still qualify for the ERTC with respect to wages that are not paid with forgiven PPP loans.</i>
Child Care and Developmental Block Grant (CCDBG)	\$10 billion in federal grants to provide childcare subsidies for low-income families with children under age 13. The CCDBG also allows for flexibility to pair state and federal funds to improve the overall quality of childcare available to families within existing state and local systems.

Beyond measures outlined above, the legislation includes many other important provisions to support Americans:

PROVISION	SUMMARY
Payroll Tax Deferral	Employers that utilized the payroll tax deferral executive order issued in September would now have until the end of 2021 to pay back deferred taxes , rather than the end of April.
Health & Vaccines	\$69 billion for vaccines, testing, tracing, and to support community health and health care providers.
Direct Payments	Includes another round of stimulus checks of \$600 for individuals who make up to \$75,000 and \$1,200 for couples who make up to \$150,000, as well as an extra \$600 per eligible dependent.
Unemployment Insurance	Extends federally enhanced unemployment benefits at \$300 per week through March 14, 2021. Extends the Pandemic Unemployment Assistance (PUA) program, which provides enhanced benefits to those self-employed, gig workers and others in non-traditional employment through 3/14/21 and offers a phase-out to that program with three weeks of additional benefits.
Rental Assistance	Creates an emergency federal rental assistance program run by the Treasury Department and administered by state and local governments. Includes \$25 billion in funding for the program, which will provide targeted assistance to renters impacted by the pandemic. Eligible renters will be able to use this assistance for past due rent, future rent payments, as well as to pay utility and energy bills and prevent shutoffs. The eviction moratorium was also extended through the end of January 2021.
Universal Charitable Deduction	Includes an extension of the \$300 universal charitable deduction for non-itemizers through 2021 and doubles the cap to \$600 for joint filers.
Other	<ul style="list-style-type: none"> Transportation: \$45 billion Education: \$82 billion Nutrition and agriculture: \$26 billion Community development: \$12 billion Broadband access: \$7 billion

ASAE RESOURCES Questions? Email publicpolicy@asaecenter.org	<ol style="list-style-type: none"> ASAE press release Op-ed from Susan Robertson, CAE, ASAE President & CEO September community sign-on letter July community sign-on letter April community sign-on letter The Essential Pillars and Purpose of American Associations
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