



GALLAGHER, FLYNN & COMPANY, LLP

◆ Legislative Alert ◆

January 5, 2021

The Consolidated Appropriations Act, 2021 (the Act) was signed into law on December 27th. With this new law, **there are several changes that may be beneficial to your business through the Paycheck Protection Program (PPP) and the Employee Retention Credit (ERC)**. A summary of changes to the PPP and ERC, and other key provisions in the Act, are available in a video ([here](#)) and associated whitepaper ([here](#)).

For your consideration:

- For 2020, if your business had a PPP loan, you may now still be able to get the ERC in 2020 if your receipts were 50% lower than the same quarter in 2019 or your business was fully or partially suspended by government order. As with all tax programs and credits, the rules and regulations are substantial in order to qualify.
- For 2021, there is another round of PPP loan money available. There are additional restrictions that did not exist in 2020. For businesses that continue to see gross receipts dipping below historical levels (a drop of 20% or more), there may be an opportunity to take an ERC up to \$10,000 per employee for certain smaller businesses.

Both the PPP and ERC involve substantial understanding and reporting from your payroll provider, working with them will be essential in understanding whether or not you qualify, as well as compiling the data needed for either program.

As always, we remain available to help you navigate these changes to legislation. Please reach out to your trusted GFC advisor with any questions.

Gallagher, Flynn & Company, LLP

**725 Community Drive
Suite 401
South Burlington, VT 05403
802. 863. 1331**

**85 Mechanic Street
Suite E2-4
Lebanon, NH 03766
603.643.0043**

www.gfc.com