

January 2021 Blog #1 - What You Need to Know About the Second PPP Loan

A new coronavirus relief bill passed last month will provide \$284 billion in Payroll Protection Program (PPP) loans for small businesses. The experts at Orlando based [CPA Accounting & Tax Services](#) shares important details about the new relief bill, outlining key items you need to know.

- 1. You have the same amount of time to use the funds:** As with the last round, applicants have between 8 and 24 weeks to use the funds. At least 60 percent of the funds must go toward payroll and the rest toward eligible expenses like rent and utilities.
- 2. Loans are capped at a smaller amount:** The new PPP loans are capped at \$2 million (they were previously capped at \$10 million in the first round).
- 3. The maximum number of employees has changed:** The second round of PPP loans requires that applicants have no more than 300 employees. Previously companies were required to have no more than 500 employees.
- 4. You must show a drop in revenue:** Unlike the first round of PPP loans, the second one requires a business to demonstrate at least a 25 percent drop in revenues from the fourth quarter of 2019 to the same period this year.
- 5. Additional “covered expenses” have been added:** The new bill includes the addition of new covered expenses, including government mandated equipment for social distancing (i.e. plexiglass partitions and air filtration systems), remote working computing needs, etc.
- 6. You can take out a new loan, even if you received the previous one:** For business owners meeting the aforementioned qualifications, you can apply for a second loan, known as a “second draw” loan. The application deadline is March 31.

Let us guide you through the PPP loan process. Contact the professionals at [CPA Accounting & Tax Services](#) to help guide you through tax season and beyond. We specialize in [Business Accounting Services](#), [Individual Tax Services](#), [Tax Preparation](#), [International Tax Services](#), [Tax Planning](#) and [Tax Resolution Services](#). We have offices in Orlando, Florida and service clients worldwide. Find out how we can serve all of your accounting needs by contacting us today: www.cpaaccounting.biz