

Stimulus Programs Impacting the Ethanol Industry

K-Coe Isom has been closely tracking additional actions taken by the government to help alleviate the ongoing economic damage caused by the COVID-19 pandemic. We have been working with clients and assisting them in their efforts to identify programs and funds that best meet their specific needs. The following are programs that could potentially be used by businesses in the ethanol industry. If you have questions about any of these resources, please contact Donna Funk with KCoe Isom at funk@kcoe.com

What is the Same but Different

Paycheck Protection Program (PPP) – Second Draw Loans

- Staggered opening date dependent on bank size
- Must have less than 300 employees, including affiliates
- Must be able to show a 25% reduction in gross receipts (including affiliates) in any quarter of 2020 compared to that same quarter of 2019
 - Gross receipts if very widely defined – to include nearly all sources of income other than capital gains
- Expanded definition of eligible non-payroll costs
- You pick your covered period - cannot be shorter than 8 weeks or longer than 24

Paycheck Protection Program (PPP) – First Draw Loans

- Simplified forgiveness for loans under \$150,000
- Loan forgiveness is not a requirement to get a Second Draw Loan

Employee Retention Tax Credit (ERTC) –

- Some employers can now utilize ERTC and PPP

	2020 Law	2021 Law
Gross Receipts Reduction	At least 50%	At least 20%
“Large Employer” definition	More than 100 FTEs	More than 500 FTEs
Percentage of credit	50% of qualifying wages	70% of qualifying wages
Maximum qualifying wages	\$10,000 per <u>year</u>	\$10,000 per <u>quarter</u>
Maximum credit per employee	\$5,000 per <u>year</u>	\$7,000 per <u>quarter</u>

Sick and Family Leave Payroll Tax Credits – extended through March 31, 2021 at employer discretion to offer.

What Other Provisions Specifically Impacts Ethanol - Tax Extenders, etc.

- Oil Spill Tax extended through 2025
- Second Generation Biofuel Producer Tax Credit extended one year
- Alternative Fuel Refueling Property Tax Credit extended one year
- Carbon Oxide Sequestration (45Q) start date extended