

## Stimulus Package Information for Businesses

The stimulus package creates \$367 billion in federally guaranteed loans for small businesses that employ 500 or fewer people who pledge not to lay off their workers. The loans will be available during an emergency period ending June 30, and would be forgiven if the business uses the loan funds for approved purposes and maintains the average size of its full-time workforce, based on when it received the loan. The loans will have a 3.75% interest rate (2.75% for nonprofits). Additionally, small businesses forced to suspend operations or that have seen gross receipts fall by 50% from the previous year, will be eligible for a tax credit worth up to 50% of wages paid during the crisis, so long as they keep their workers employed through the crisis. Wages remain eligible until business is no longer suspended or gross receipts for a quarter reach 80% of the prior year. The credit could be applied to all wages for employers with fewer than 100 employees, while the benefit is capped at \$10,000 in wages per employee for larger employers.

How to know if you're eligible:

- A small business with fewer than 500 employees A small business that otherwise meets the Small Business Association's (SBA) size standard
- A 501(c)(3) with fewer than 500 employees
- An individual who operates as a sole proprietor
- An individual who operates as an independent contractor
- An individual who is self-employed who regularly carries on any trade or business
- A Tribal business concern that meets the SBA size standard

In addition, some special rules may make you eligible:

- If you are in the accommodation and food services sector (NAICS 72), the 500-employee rule is applied on a per physical location basis
- If you are operating as a franchise or receive financial assistance from an approved Small Business Investment Company the normal affiliation rules do not apply **REMEMBER:** The 500-employee threshold includes all employees: full-time, part-time, and any other status

You can apply for an SBA loan through its website, [sba.gov](http://sba.gov). Be prepared to provide the following information: Tax Information Authorization (IRS Form 4506T), completed and signed by each principal or owner, Recent federal income tax returns, Personal Financial Statement (SBA Form 413), Schedule of Liabilities listing all fixed debts (SBA Form 2202) You may also need to provide profit and loss statements, recent tax returns and balance sheets. The SBA says its goal is to arrive at a decision on any disaster loans within two to three weeks. If it determines you are eligible, it will send you a loan closing document for your signature.