



OFFICE OF REPRESENTATIVE
JERAMEY ANDERSON

SMALL BUSINESS RELIEF PACKAGE



CARES ACT

- **Congress passed a relief measure in the amount of \$150 billion known as the CARES Act**
 - The intention is to help States and certain local governments deal with the effects of COVID 19.
 - Congress has specified certain criteria for the use of these funds.
 - State of Mississippi has received \$1.25 billion in COVID19 aid from the federal government.



LEGISLATIVE ACTION REGARDING CARES ACT FUNDS

- The Governor of the State felt he had the authority to solely control the \$1.25 billion received by the State.
- The Legislature disagreed and immediately responded by voting to transfer these funds.
- May 1, 2020, the Mississippi Legislature convened to transfer the \$1.25 billion dollars into an account controlled by the Legislature.
- The entire \$1.25 billion was NOT transferred.
- The Legislature only transferred \$1.15 billion and left \$100 million at the discretion of the Governor to use in case an immediate expenditure needed to be made.



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- **Two tracks of funds**
 - A direct payment track
 - Application-based track
- **The purpose is to provide economic support to eligible Mississippi businesses for costs incurred in connection with COVID-19**
 - Including business interruption caused by forced closures or restricted operations resulting from voluntary closures instituted to promote social distancing measures, decreased customer demand, cleaning or disinfection, and provision of personal protective equipment.
 - Eligible expenses shall not include any damage covered by business interruption insurance or disallowed by CARES Act section 5001 or any guidance or regulation issued by the United States Treasury Department in conformity therewith.



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- In an effort to expedite payment to businesses in need of economic support due to required or voluntary closures, while minimizing administrative costs and delays:
 - A direct payment of \$2,000.00 per business will be “fast tracked” and is a necessary expense to compensate eligible taxpayers for COVID-related losses under the direct payment track.



SMALL BUSINESS RELIEF PACKAGE – DIRECT PAYMENTS

- **Direct payment track grants (\$60M total allocated)**
- The following categories of small business taxpayers:
 - 50 or fewer full-time equivalent employees that were registered with DOR before March 1, 2020
 - Issued an Employer Identification Number or a SSN before March 1, 2020
 - and/or had an active DOR withholding account established before March 1, 2020
 - Shut down or had their operations restricted via executive or municipal order



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DIRECT PAYMENTS - ELIGIBLE BUSINESSES

- Restaurants
- Personal Care - Salons and Barbers
- Amusement and Recreation
- Schools and Instruction - Dance and Gym
- Performing Arts Companies - Dance Companies
- Spectator Sports
- Amusement Parks and Arcades
- Motion Picture and Video Industries
- Furniture Stores
- Home Furnishings
- Clothing Stores
- Shoe Stores
- Jewelry, Luggage, & Leather Goods
- Sporting Goods, Hobby and Music Instrument
- Book Stores and News Dealers
- Florists
- Office Supplies and Gift Stores
- Used Merchandise Stores
- Other Miscellaneous Retail Stores
- Child care businesses (other than home-based child care)



SMALL BUSINESS RELIEF PACKAGE APPLICATION TRACK

- **Application Track Grants (\$240M allocated)**
 - **Applicants who meet the following will be eligible to apply for a grant up to \$25,000.00 through MDA.**
 - **Mississippi businesses in good standing**
 - **50 or fewer full-time equivalent employees**
 - **Suffered a business interruption due to COVID-19**
 - **Must have filed a tax return in 2018 or 2019,**
 - **or a new business formed between Jan. 1, 2020 and before Mar. 1, 2020, intends to file taxes for tax year 2020**
 - **NAIC classification from pervious list**
- **The grant program will be administered by MDA**



SMALL BUSINESS RELIEF PACKAGE APPLICATION TRACK

- **The amount of the grant will be a base amount of \$1,500 plus the greater of**
 - **\$500 per full time equivalent employee or**
 - **The amount of itemized “eligible expenses” the applicant demonstrates in the sworn application.**
- **The grant cannot exceed \$25,000**



SMALL BUSINESS RELIEF PACKAGE APPLICATION TRACK – ELIGIBLE EXPENSES

- **“Eligible expenses” that may be itemized under the application track are defined as**
 - **Cost, not reimbursed from another source, incurred by an eligible business for public health measures or due to interruption of business.**
 - **Eligible expenses due to interruption of business may consist only of:**
 - **Mortgage Interest**
 - **Rent**
 - **Payroll**
 - **Utilities**
 - **or other COVID-19-related expenses allowed by law, each for no more than a two-month period.**



SMALL BUSINESS RELIEF PACKAGE APPLICATION TRACK – ELIGIBLE EXPENSES

- **Eligible expenses shall not include lost profits.**
- **Up to 50% of the grant will be reduced by the amount of any:**
 - **Federal Paycheck Protection Program (PPP) funds**
 - **Economic Injury Disaster Loan (EIDL) funds**
 - **Business interruption insurance proceeds received**



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APPLICATION TRACK – OTHER PROVISIONS

- **\$40M of the grants will be made available to minority-owned businesses.**
- **For the first 21 days of the application process, applications will only be taken for applicants**
 - **That have not received PPP or EIDL funds or any federal funds reimbursing COVID-19-related business expenses.**
 - **All grant monies shall be disbursed in compliance with federal CARES Act Coronavirus Relief Fund (CRF) guidelines and related federal Treasury Department guidance.**
 - **Use of the grants shall be subject to audit and uses found to be non-compliant shall be returned to the State**
 - **Funds received under the PPP program shall not be subject to state income tax**
 - **Eligible expenses for which PPP funds were received may not be taken as tax deductions.**



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QUESTIONS?

SELECT THE ARROW WHEN IN SLIDE SHOW MODE