



FUBA
FLORIDA UNITED BUSINESSES ASSOCIATION

ISSUES

OUR BUSINESS IS SMALL BUSINESS

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PPP APPLICATION DEADLINE EXTENDED

The deadline for small businesses to apply for a Paycheck Protection Program (PPP) loan **has been extended until May 31, 2021!** The program was supposed to end on March 31st, but the deadline has been extended so that more small businesses can apply for either a first or second PPP loan.

The PPP loan program was created to help small businesses during the COVID-19 pandemic. And it is not really a loan, because as long as a business spends it on eligible business expenses (like payroll, rent, and utilities) and retains its employees, the PPP does not have to be paid back. No collateral is required to get a PPP loan, and lenders are not allowed to charge small businesses any fees for getting the loan.

Most small businesses, including sole proprietors, independent contractors, and self-employed individuals, are now eligible for a PPP loan. And even if you received a PPP loan last year, you can receive a second PPP loan if your business has had a drop in revenue.

My business did not receive a PPP loan in 2020. Can I apply for one now? Yes. Corporations and LLCs are eligible to receive a loan of 2.5 times their average monthly payroll from either 2019 or 2020.

Businesses that file IRS Form 2040, Schedule C, such as sole proprietors, independent

contractors, and the self-employed, are eligible for up to \$20,833 if they have no employees. With employees, they are also eligible to receive 2.5 times their monthly payroll.

I am a sole proprietor/independent contractor/self-employed and I file my taxes using Form 1040, Schedule C. I was turned down last year for a PPP loan. Am I now eligible for a PPP loan? Probably. The eligibility criteria for sole proprietors, independent contractors, and the self-employed has changed and now uses gross income from your Schedule C instead of net income. This change allows more Schedule C filers to qualify for a PPP loan.

My business got a PPP loan in 2020. Can I now apply for a second PPP? Yes, your business can receive another PPP of 2.5 times your average monthly payroll from either 2019 or 2020, but you must demonstrate that your business had a 25% reduction in gross revenues from 2019 to 2020. This is calculated by comparing your company's gross receipts from any one quarter of 2020 to the same quarter of 2019, or you can use your company's 2020 tax return as compared to the 2019 return. You also must have spent your first PPP loan on eligible expenses.

How do I apply for a PPP loan (first or second)? Apply with the bank where your business has its checking account. Your bank will probably have an online portal where you can fill out the loan application and upload your supporting

documents (like 941's to show payroll). If you are not sure how to access your bank's online portal, call them or visit their website.

What application do I use? Most banks do not accept paper applications, but their online portals will be very similar to the forms issued by the Small Business Administration. Before applying with your bank, you should review the application you are going to use so you are familiar with the eligibility and documentation requirements. The forms are:

- Corporations and LLC's applying for their first PPP loan: Form 2483.
- Sole proprietors and Schedule C filers applying for their first PPP loan: Form 2483-C.
- Corporations and LLC's applying for their second PPP loan: Form 2483-SD.
- Sole proprietors and Schedule C filers applying for their second PPP loan: Form 2483-SD-C.

Visit the Small Business Administration's website at sba.gov/funding-programs/loans/covid-19-relief-options/paycheck-protection-program to find these forms or learn more.

FUBA members with questions about a PPP loan can ask our experts by emailing fuba@fuba.org or calling our offices at 800-262-4483.

DEADLINE TO FILE ANNUAL REPORT IS MAY 1ST

If your business is a corporation (INC) or limited liability company (LLC), you must file an Annual Report every year with the state's corporate registry. The deadline to file this report is May 1, 2021. Reports filed after this date will be subject to a \$400 late fee.

The purpose of the Annual Report is to confirm the information the state has on file about your company. It is also a good time to make any

needed updates to your corporate information like your mailing address or any officers that need to be added or deleted.

The only notice the state will send you is an email to the address on file for your company. **Beware of emails from senders like *Reminder Department or File Florida***. These are solicitations from private companies that want to charge you extra to file your company's Annual Report.

The Annual Report must be filed online at the state's official website at sunbiz.org. Make sure the page displayed on your computer says "An official State of Florida website" at the top of the page. Under "Filing Services," click on the "Annual Report" box.

For corporations, the cost to file an Annual Report is \$150, if filed by May 1st. For LLC's, the filing fee is \$138.75, if filed by May 1st.

If the Annual Report is filed after May 1st, the state assesses a mandatory \$400 late fee which cannot be waived.

NEW LAW PROTECTS BUSINESSES FROM COVID-19 LAWSUITS

Effective March 29, 2021, the state of Florida has a new law designed to protect Florida businesses from COVID-19 lawsuits. The new law requires that someone trying to sue a business due to COVID-19 must provide an affidavit from a licensed physician attesting that the alleged injuries/damages were a result of the actions/inactions of the business. If the plaintiff cannot produce an affidavit like this, the case must be dismissed.

Also, the plaintiff must prove that the business did not make a good faith effort to comply with government-issued health standards on COVID-19. And the bill limits the ability to sue businesses for COVID-19 to one year and even applies retroactively to lawsuits filed before March 29, 2021.