

116TH CONGRESS
2D SESSION

H. R. 7010

To amend the Small Business Act and the CARES Act to modify certain provisions related to the forgiveness of loans under the paycheck protection program, to allow recipients of loan forgiveness under the paycheck protection program to defer payroll taxes, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 26, 2020

Mr. PHILLIPS (for himself, Mr. ROY, Mr. UPTON, Mr. FITZPATRICK, Mr. ROUDA, Mr. HARRIS, Mr. KILDEE, Ms. SCHRIER, Mr. WELCH, Mr. BRINDISI, Mr. PAPPAS, Mrs. WALORSKI, Ms. MENG, Mr. JOYCE of Ohio, Ms. TORRES SMALL of New Mexico, Mr. BERGMAN, Mr. SCHWEIKERT, Mr. LAMALFA, Mr. KRISHNAMOORTHY, Mr. BERA, Ms. HERRERA BEUTLER, Mr. VAN DREW, Miss RICE of New York, Mr. DUNN, Mr. O'HALLERAN, Ms. CASTOR of Florida, Mr. DEUTCH, Ms. STEFANIK, Mr. RYAN, Ms. MCCOLLUM, Mr. COURTNEY, Mr. KILMER, Mr. JOYCE of Pennsylvania, Mr. WRIGHT, Mr. KING of New York, and Mr. CURTIS) introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Small Business Act and the CARES Act to modify certain provisions related to the forgiveness of loans under the paycheck protection program, to allow recipients of loan forgiveness under the paycheck protection program to defer payroll taxes, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Paycheck Protection
 5 Program Flexibility Act of 2020”.

6 **SEC. 2. MATURITY FOR LOANS WITH REMAINING BALANCE**

7 **AFTER APPLICATION OF FORGIVENESS.**

8 Section 7(a)(36)(K)(ii) of the Small Business Act (15
 9 U.S.C. 636(a)(36)) is amended by inserting “minimum
 10 maturity of 5 years and a” before “maximum maturity”.

11 **SEC. 3. AMENDMENTS TO PAYCHECK PROTECTION PRO-**

12 **GRAM LOAN FORGIVENESS.**

13 (a) EXTENSION OF COVERED PERIOD.—Section
 14 7(a)(36)(A)(iii) of the Small Business Act (15 U.S.C.
 15 636(a)(36)(A)(iii)) is amended by striking “June 30,
 16 2020” and inserting “December 31, 2020”.

17 (b) FORGIVENESS.—Section 1106 of the CARES Act
 18 (Public Law 116–136) is amended—

19 (1) in subsection (a), by striking paragraph (3)
 20 and inserting the following:

21 “(3) the term ‘covered period’ means, subject to
 22 subsection (l), the period beginning on the date of
 23 the origination of a covered loan and ending the ear-
 24 lier of—

1 “(A) the date that is 24 weeks after such
2 date of origination; or

3 “(B) December 31, 2020;”;

4 (2) in subsection (d)—

5 (A) in paragraph (5)(B), by striking “June
6 30, 2020” each place it appears and inserting
7 “December 31, 2020”; and

8 (B) by adding at the end the following new
9 paragraphs:

10 “(7) EXEMPTION BASED ON EMPLOYEE AVAIL-
11 ABILITY.—During the period beginning on February
12 15, 2020, and ending on December 31, 2020, the
13 amount of loan forgiveness under this section shall
14 be determined without regard to a reduction in the
15 number of full-time equivalent employees if an eligi-
16 ble recipient—

17 “(A) is unable to rehire an individual who
18 was an employee of the eligible recipient on or
19 before February 15, 2020;

20 “(B) is able to demonstrate an inability to
21 hire similarly qualified employees on or before
22 December 31, 2020; or

23 “(C) is able to demonstrate an inability to
24 return to the same level of business activity as

1 such business was operating at prior to Feb-
2 ruary 15, 2020.

3 “(8) NO LIMITATIONS.—In carrying out this
4 section, the Administrator may not limit the non-
5 payroll portion of a forgivable covered loan
6 amount.”; and

7 (3) by adding at the end the following new sub-
8 section:

9 “(1) APPLICATION TO CERTAIN ELIGIBLE RECIPI-
10 ENTS.—An eligible recipient that received a covered loan
11 before the date of enactment of this subsection may elect
12 for the covered period applicable to such covered loan to
13 end on the date that is 8 weeks after the date of the origi-
14 nation of such covered loan.”.

15 **SEC. 4. DELAY OF PAYMENT OF EMPLOYER PAYROLL**
16 **TAXES.**

17 Section 2302(a) of the CARES Act (Public Law 116–
18 136) is amended by striking paragraph (3).

19 **SEC. 5. EFFECTIVE DATE; APPLICABILITY.**

20 The amendments made by this Act shall be effective
21 as if included in the CARES Act (Public Law 116–136)
22 and shall apply to any loan made pursuant to section
23 7(a)(36) of the Small Business Act (15 U.S.C.
24 636(a)(36)) or section 1109 of the CARES Act.

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