



Released: 29 December 2020

THE BUSINESS OF COVID-19 CLIENT REMINDERS & UPDATES

MINNESOTA STATE COVID-19 RELIEF PACKAGE – SF 31

<https://legiscan.com/MN/text/SF31/id/2221143/Minnesota-2020-SF31-Engrossed.pdf>

The Minnesota Department of Revenue (“DOR”) indicates that over 4,300 businesses will receive direct payments as a result of the Minnesota State COVID-19 relief package that was passed into law on December 11, 2020. The target of this legislation was clearly the hospitality industry. However, the law also approved millions of dollars in direct assistance for small businesses and nonprofits that were adversely affected by Governor Walz’s November 20, 2020 executive order. Key highlights of this legislation include:

- \$88 million directly to on-site food and beverage restaurants, bowling alleys, coffee shops, breweries, bars, fitness centers and other businesses that either have been closed or curtailed by the governor’s order. Checks will be sent from the Department of Revenue directly to eligible businesses — those that have lost 30% in year-over-year revenue since 2019. Grant size (\$10,000-\$45,000) will depend on the number of full and part time workers that each business employs (based on the number of employees listed under one EIN regard and without regard to the number of locations a business may have). For example, home-based businesses with no outside employees would get \$10,000. Moreover, companies with up to 20 workers would receive a \$15,000 grant and those with more than 300 employees would receive a \$45,000 grant.
- \$14 million will go to movie theaters and convention centers. Of that amount, \$9 million will be apportioned to cinemas by the number of movie screens they have. One- or two-screen theaters will get \$15,000 per screen, while larger theaters get \$10,000 per additional screen — up to a maximum of \$150,000. Convention centers around the state get the remaining \$5 million; their maximum grant is \$500,000.
- Extension of unemployment benefits for another 13 weeks to April 20, 2021.
- \$114.5 million from counties to local businesses. This pot of money will go to the state’s 87 counties with the counties having wide latitude to distribute money to almost any struggling business that needs help — including those that also receive Department of Revenue grants through the same legislation. For more information on county grantmaking activities, see the following:



SHERBURNE COUNTY

- <https://www.co.sherburne.mn.us/CivicAlerts.aspx?AID=264>

WRIGHT COUNTY

- <https://www.wrightpartnership.org/resources/>
- <http://www.co.wright.mn.us/9/How-Do-I>

HENNEPIN COUNTY

- <https://public.govdelivery.com/accounts/MNHENNE/subscriber/new?preferences=true#tab1>

DAKOTA COUNTY

- <https://www.co.dakota.mn.us/HealthFamily/HandlingEmergencies/Disasters/Pages/business-resources.aspx>
- The Minnesota Department of Revenue has indicated that if the funds available under SF 31 are used to keep a business from going under, the funds should be fully deductible.
- Businesses receiving payments directly from the state will not be precluded from also receiving grants from the counties in which they operate.

CORONAVIRUS RESPONSE AND RELIEF SUPPLEMENTAL APPROPRIATIONS ACT

The most recent Covid-19 relief package was signed into law on December 27, 2020. Subject to any pre-inauguration amendments, the key highlights of the legislation are as follows:

Individuals

- checks for every adult and child earning up to \$75,000 or \$1,200.00 per married couple. Individuals earning between \$75,000 and \$99,000 would get smaller checks. Individuals earning more than \$99,000.00 are excluded from the payment.
- Unemployment benefits: Lawmakers agreed to extend enhanced unemployment benefits for jobless workers, who will receive up to \$300 per week through mid-March. Self-employed people and gig workers will also receive extended assistance.
- Rental assistance: The measure includes \$25 billion to help families pay their rent, and it extends the eviction moratorium now in effect until January 31, 2021.
- SNAP assistance: The measure includes an additional \$13 billion for the Supplemental Nutrition Assistance Program.



- The measure also includes a provision ending surprise medical billing.

Small Businesses

- The legislation includes approximately \$284 billion for PPP loans. It is anticipated that applications for round 2 of the PPP loans are to be made in a manner similar to round 1.
- However, the SBA has until early January 2021 to issue guidance and regulations related to this second round of loans.
- The measure includes \$10 billion for childcare centers to help providers safely reopen.
- Section 501(c)(6) not-for-profit organizations are now able to apply for PPP loans.
- \$15 billion of the PPP allocation is specifically targeted for live venues, independent movie theaters and cultural institutions.
- \$20 million for the Economic Injury Disaster Loan Program.
- There is some \$13 billion in the measure for farmers and agriculture, including money under the Coronavirus Food Assistance Program for growers and livestock, dairy and, making the cost of meals a deductible business expense.

ADDITIONAL THOUGHTS

1. Remember to consult your professionals as soon as possible regarding tax questions related to your receipt of PPP or EIDL loans. The earlier you can determine which of your business expenses are deductible and which are not, the better prepared you will be to mitigate potential tax surprises.
2. Consider starting your strategic and/or succession planning now. If the pandemic has taught the business world anything, it is that (1) anything can happen and (2) if you have a plan in place that addresses how your business is going to operate in a crisis situation, the better the odds that you will be able to adapt to the situation and come out having minimized the impending damage.

For more information or if you have questions, please contact us online at www.blustinlaw.com or by phone at (763) 355-9072.