



Support for Non-Profit Organizations in the *Consolidated Appropriations Act of 2021*

Approved by Congress on December 21, 2020, the *Consolidated Appropriations Act of 2021*¹ provides non-profit organizations assistance by expanding eligibility for Paycheck Protection Program (PPP) loans, permitting a second draw from PPP funds for particularly impacted organizations, and continuing increased incentives for charitable giving.

PPP Loans:

The *Consolidated Appropriations Act of 2021* appropriates \$285 billion for loans of up to \$2 million for small non-profits and businesses. Loans can be used for purposes originally made eligible under the CARES Act², as well as for personal protective equipment, facility modifications, and worker protection.

- As under the *CARES Act*, loans do not have borrower or lender fees, are *100 percent government guaranteed*, and loan repayment is deferred for up to one year. Such loans are *eligible for loan forgiveness* in an amount equal to the payroll cost and costs related to debt obligations for a covered period selected by the borrower.
- *Organizations will not have to pay taxes on PPP loans received.*

Increased Eligibility: The *Consolidated Appropriations Act of 2021* expands eligibility for PPP to certain 501(c)(6) organizations and Destination Marketing Organizations, provided that they meet certain requirements, including: no more than 300 employees, no more than 15% of receipts are from lobbying, and the cost of lobbying for those organizations did not exceed \$1M in the previous tax year.

Second Draw: Non-profit organizations who have already received PPP loans, originally made available under the *CARES Act*, are eligible for an additional loan so long as the organization: employs 300 or fewer employees; and demonstrates a 25 percent reduction in gross revenues between the same quarters in 2019 and 2020.

Newly Eligible Businesses/Nonprofits:

If a business or nonprofit is newly eligible for PPP under the new statutory framework, the business is eligible to apply for a first time loan under the new program terms (“second draw” terms), and may also be eligible for a second draw loan if it exhausts all of its first-draw loan funding before March 31, 2021.

Incentives for Increased Charitable Giving:

Individuals: The *Consolidated Appropriations Act of 2021* re-establishes the \$300 above-the-line deduction for 2021, and extends the increased limits on deductible charitable contributions for individuals who itemize deductions.

Corporations: Increased limits on deductible charitable contributions found in *CARES Act* are extended.

This document was prepared as an informational resource and should not be considered legal or business counsel. Please reach out to CoronavirusHelp@braun.senate.gov for questions, concerns, or additional assistance. Last updated December 22, 2020.

¹ [H.R. 133](#), the legislative vehicle for the *Consolidated Appropriations Act of 2021* was approved by the House of Representatives and the Senate on December 21, 2020.

² [H.R. 748](#), the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* (Public Law No. 116-136) was approved unanimously by the Senate on March 25, 2020, then by the House of Representatives on March 27, 2020, and signed into law by President Trump on March 27, 2020