

# Business Savings Accounts = \$0

PPP funds passed through business

Nothing from PPP could be saved by businesses because everything had to go to payroll or eligible expenses under program rules in order to be forgiven.

*If money from the program crosses this line the loan is not forgiven*

# Where did forgiven PPP money go?

Without PPP, the unemployment rates would have been much higher, more businesses would have closed their doors, and the economic fallout would have been more severe. As our state's unemployment system was strained and crashing, PPP created a parallel unemployment system to spread the load, with many employers simply using PPP funds to pay their employees to "Stay Home, Stay Safe."



## Employees

- The program originally required 75% on wages, then later 60%
- Some employers spent the entire loan on payroll and provided hazard pay
- Up to \$100,000 in salary; unlike UI PPP covers benefits

## Eligible Expenses

- Worker protection (personal protective equipment, barriers, screening tools, etc.)
- Operating cost (rent/mortgage utilities)
- Supplier cost (goods essential to operation)

## Sales and Use Tax Property Tax

If money goes to anything other than payroll or eligible expenses, (income taxes are not eligible expenses) it is not forgiven, making it a loan, not a grant. Loans are not taxable.

Consumer Spending

## Taxes

- Payroll tax
- Personal income tax (Likely more than \$60 million)

## Sales and Use / Rooms and Meals Taxes

# Millions of Dollars into the State Coffers