

116TH CONGRESS
2D SESSION

H. R. 7522

To establish the Small Business Economic Assistance Program.

IN THE HOUSE OF REPRESENTATIVES

JULY 9, 2020

Mr. GALLEGO introduced the following bill; which was referred to the
Committee on Small Business

A BILL

To establish the Small Business Economic Assistance
Program.

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. SMALL BUSINESS ECONOMIC ASSISTANCE PRO-**
4 **GRAM.**

5 (a) ESTABLISHMENT.—The Secretary of the Treas-
6 ury shall establish the Small Business Economic Assist-
7 ance Program to provide financial assistance to each cov-
8 ered entity.

9 (b) ASSISTANCE.—Subject to subsection (d), the Sec-
10 retary shall provide each covered entity a financial assist-
11 ance payment equal to \$5,000 per employee of that cov-

1 ered entity. Such assistance may not be treated as taxable
2 income, and expenses of a covered entity that arise from
3 such assistance shall be eligible for any otherwise applica-
4 ble tax deduction.

5 (c) PURPOSE.—

6 (1) A covered entity that receives assistance
7 under subsection (b) shall use at least 80 percent of
8 the assistance under subsection (b) for employee
9 compensation, and the balance for business costs
10 (including rent, mortgage payments, or utility pay-
11 ments).

12 (2) The Secretary shall treat any portion of a
13 payment of assistance under subsection (b) not used
14 pursuant to paragraph (1) as a loan—

15 (A) subject to an interest rate the Sec-
16 retary determines to be low; and

17 (B) that the covered entity shall repay not
18 later than one year after the Secretary makes
19 such payment.

20 (d) OPT-OUT.—A covered entity may elect in writing
21 not to receive financial assistance under subsection (b).

22 (e) DISTRIBUTION.—The Secretary shall distribute
23 payments under subsection (b) based on information in
24 the Electronic Federal Tax Payment System.

1 (f) FRAUD.—All documents relating to the program
2 under this section shall be subject to section 1001 of title
3 18, United States Code.

4 (g) COVERED ENTITY DEFINED.—In this section, the
5 term “covered entity” means an entity that—

6 (1) is categorized as a sole proprietorship, part-
7 nership company, limited liability company, C cor-
8 poration, S corporation, B corporation, or 501(c) or-
9 ganization;

10 (2) has more than one but fewer than 50 em-
11 ployees;

12 (3) has any type of income subject to Federal
13 income tax;

14 (4) paid employment or self-employment tax
15 during calendar year 2019;

16 (5) did not receive a payment under the Pay-
17 check Protection Program;

18 (6) was established before January 1, 2020;

19 and

20 (7) has not filed for chapter 7 bankruptcy.

○