

116TH CONGRESS
2D SESSION

S. 3805

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 SENATE OF THE UNITED STATES

MAY 21, 2020

Mr. KING (for himself, Mr. DAINES, Mr. KAINE, Mr. TILLIS, Ms. STABENOW, and Mr. GARDNER) introduced the following bill; which was read twice and referred to the Committee on Finance

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”.

1 **SEC. 2. MATURITY FOR LOANS WITH REMAINING BALANCE**
 2 **AFTER APPLICATION OF FORGIVENESS.**

3 Section 7(a)(36)(K)(ii) of the Small Business Act (15
 4 U.S.C. 636(a)(36)(K)(ii)) is amended by inserting “min-
 5 imum maturity of 5 years and a” before “maximum matu-
 6 rity”.

7 **SEC. 3. AMENDMENTS TO PAYCHECK PROTECTION PRO-**
 8 **GRAM LOAN FORGIVENESS.**

9 (a) **EXTENSION OF COVERED PERIOD.**—Section
 10 7(a)(36)(A)(iii) of the Small Business Act (15 U.S.C.
 11 636(a)(36)(A)(iii)) is amended by striking “June 30,
 12 2020” and inserting “December 31, 2020”.

13 (b) **FORGIVENESS.**—Section 1106 of the CARES Act
 14 (Public Law 116–136) is amended—

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

17 “(3) the term ‘covered period’ means, subject to
 18 subsection (l), the period beginning on the date of
 19 the origination of a covered loan and ending the ear-
 20 lier of—

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

23 “(B) December 31, 2020;”;

24 (2) in subsection (d)—

1 (A) in paragraph (5)(B), by striking “June
2 30, 2020” each place it appears and inserting
3 “December 31, 2020”; and

4 (B) by adding at the end the following:

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

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

15 “(B) is able to demonstrate an inability to
16 hire similarly qualified employees on or before
17 December 31, 2020; or

18 “(C) is able to demonstrate an inability to
19 return to the same level of business activity as
20 the eligible recipient was operating at before
21 February 15, 2020.

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

