

116TH CONGRESS
2D SESSION

S. 4607

To provide forgiveness for paycheck protection program and economic injury disaster loans related to COVID–19 made to businesses that are located in an area for which the President declared a major disaster related to Hurricane Laura or Hurricane Sally, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17, 2020

Mr. KENNEDY (for himself and Mr. JONES) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To provide forgiveness for paycheck protection program and economic injury disaster loans related to COVID–19 made to businesses that are located in an area for which the President declared a major disaster related to Hurricane Laura or Hurricane Sally, 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 “Disaster Relief for
5 Southeastern Small Businesses Act of 2020”.

1 **SEC. 2. LOAN FORGIVENESS FOR BUSINESSES LOCATED IN**
2 **MAJOR DISASTER AREAS.**

3 (a) DEFINITIONS.—In this section:

4 (1) ADMINISTRATOR.—The term “Adminis-
5 trator” means the Administrator of the Small Busi-
6 ness Administration.

7 (2) COVERED DISASTER.—The term “covered
8 area” means an area for which the President de-
9 clared a major disaster under section 401 of the
10 Robert T. Stafford Disaster Relief and Emergency
11 Assistance Act (42 U.S.C. 5170) related to Hurri-
12 cane Laura or Hurricane Sally.

13 (3) COVERED ENTITY.—The term “covered en-
14 tity” means any entity—

15 (A) the principal place of business of which
16 is located in a covered area; and

17 (B) that received a covered loan.

18 (4) COVERED LOAN.—The term “covered loan”
19 means a loan made under—

20 (A) section 7(a)(36) of the Small Business
21 Act (15 U.S.C. 636(a)(36)); or

22 (B) section 7(b)(2) of the Small Business
23 Act (15 U.S.C. 636(b)(2)) related to COVID-
24 19.

25 (b) LOAN FORGIVENESS.—

1 (1) IN GENERAL.—Notwithstanding section
2 1106 of the CARES Act (15 U.S.C. 9005), a cov-
3 ered entity shall receive forgiveness of indebtedness
4 on a covered loan in an amount equal to the covered
5 loan amount if the covered entity submits to the
6 lender of the covered loan a one-page online or paper
7 form, to be established by the Administrator not
8 later than 7 days after the date of enactment of this
9 Act, that attests that the covered entity used the
10 covered loan proceeds for eligible activities as de-
11 scribed in paragraph (a)(36) or (b)(2) of section 7
12 of the Small Business Act (15 U.S.C. 636), as appli-
13 cable.

14 (2) REVIEW AND AUDIT.—The Administrator
15 may review and audit covered loans for which for-
16 giveness is provided to covered entities under para-
17 graph (1) using the same process used for loans
18 made under section 7(a)(36) of the Small Business
19 Act (15 U.S.C. 636(a)(36)).

20 (3) TAXABILITY.—For purposes of the Internal
21 Revenue Code of 1986—

22 (A) any amount which (but for this para-
23 graph) would be includible in gross income of
24 the covered entity by reason of forgiveness de-

1 scribed in paragraph (1) shall be excluded from
2 gross income; and

3 (B) no deduction shall be denied or re-
4 duced, no tax attribute shall be reduced, and no
5 basis increase shall be denied, by reason of the
6 exclusion from gross income provided by sub-
7 paragraph (A).

8 (c) INAPPLICABILITY OF EIDL ADVANCE AMOUNT
9 TO PPP LOAN FORGIVENESS AMOUNT.—Notwithstanding
10 paragraph (6) of section 1110(e) of the CARES Act (15
11 U.S.C. 9009(e)), with respect to a covered entity that re-
12 ceived an advance grant under such section 1110(e), the
13 advance amount shall not be reduced from the loan for-
14 givenness amount for a loan for payroll costs made to the
15 covered entity under section 7(a)(36) of the Small Busi-
16 ness Act (15 U.S.C. 636(a)(36)).

17 (d) APPLICABILITY.—This Act shall apply with re-
18 spect to covered loans and advance grants under section
19 1110(e) of the CARES Act (15 U.S.C. 9009(e)) made to
20 a covered entity before, on, or after the date of enactment
21 of this Act.

○