



AFairchild, PC
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AFairchild Webinar

presented by
Annie Fairchild, CPA



PPP
New
Formulas

Effective
02/24/2021

Texas
Winter
Freeze
Casualty
Losses

Texas
IRS Due
Dates

AFairchild
Engage
Leadership
Mastermind
Groups

PPP – Small Businesses

- SBA will only offer 1st round PPP loans to Small Businesses from February 24, 2021 to March 10, 2021
- Small Businesses are:
 - Less than 20 employees (each employee counts as ONE, regardless if full time, part time or seasonal)
 - Sole Proprietors (Schedule C)



PPP Revised Formula

SBA “Additional PPP Changes promoting equitable relief for the smallest of small businesses are to be implemented in early March”.

<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources#section-header-3>



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PPP Revised Formula

Schedule C Filers

- **LIKELY the formula will be** : Calculate PPP Loan using the GROSS INCOME on line 7 of Form 1040, Schedule C (not sure if 2019, 2020 or a choice)

NOTE: Likely this amount will be capped at \$100,000 per Schedule C Filer

\$100,000 Max amount from line 7
Divided by 12 months = \$8,333

\$8,333 x 2.5 = **\$20,833 – Loan Amount**

- New Interim Rules and New Application will be coming soon – **SBA HAS NOT provided the new formula – this is an estimate**



PPP Revised Formula

SCHEDULE C (Form 1040)		Profit or Loss From Business (Sole Proprietorship)		OMB No. 1545-0074 2020 Attachment Sequence No. 09	
Department of the Treasury Internal Revenue Service (99)		▶ Go to www.irs.gov/ScheduleC for instructions and the latest information. ▶ Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file Form 1065.			
Name of proprietor			Social security number (SSN)		
A Principal business or profession, including product or service (see instructions)			B Enter code from instructions ▶		
C Business name. If no separate business name, leave blank.			D Employer ID number (EIN) (see instr.) 		
E Business address (including suite or room no.) ▶ City, town or post office, state, and ZIP code					
F Accounting method: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶					
G Did you "materially participate" in the operation of this business during 2020? If "No," see instructions for limit on losses . <input type="checkbox"/> Yes <input type="checkbox"/> No					
H If you started or acquired this business during 2020, check here ▶ <input type="checkbox"/>					
I Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions <input type="checkbox"/> Yes <input type="checkbox"/> No					
J If "Yes," did you or will you file required Form(s) 1099? <input type="checkbox"/> Yes <input type="checkbox"/> No					
Part I Income					
1	Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked ▶ <input type="checkbox"/>	1			
2	Returns and allowances	2			
3	Subtract line 2 from line 1	3			
4	Cost of goods sold (from line 42)	4			
5	Gross profit. Subtract line 4 from line 3	5			
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6			
7	Gross income. Add lines 5 and 6 ▶	7			
Part II Expenses. Enter expenses for business use of your home only on line 30.					



PPP – New Eligibility

Others that are now eligible:

- Those with a prior non-fraud felony conviction
- 20% or more owners that have student loan delinquency



PPP - WHERE DO I GO?

- This is a federal program monitored by the SBA
- The Loan originates at an SBA approved Bank
- Your BANK will process the loan for you



Texas Winter Freeze Casualty Losses

- 2021 losses can be claimed on 2020 tax return OR on 2021 tax return (choice to choose)
- President has declared ALL counties in Texas as a Federal Disaster Area
- Deduct personal property losses that are not covered by insurance or other reimbursements



Texas Winter Freeze Casualty Losses

- Disaster Declaration number: FEMA 4586
- “Texas – Severe Winter Storms”
- President has declared ALL counties in Texas as a Federal Disaster Area
- **Loss must be GREATER than 10% of your Adjusted Gross Income** (If insurance covers all of your loss, then you might not be eligible for the deduction)



Texas Winter Freeze Casualty Losses

Casualty, Disaster, and Theft Loss IRS Workbook

<https://www.irs.gov/pub/irs-pdf/p584.pdf>



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Texas IRS Due Dates

All due dates from 02/11/2021 have been moved to 06/15/2021

INCLUDES:

Forms 1040, 1120S, 1120, 1065, 990

Estimated Tax Payments, Extension Payments, Amounts Due

Employment Tax Returns



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AFairchild Client Engage

- Leadership Mastermind Groups
- DISC Assessments
- Team Building Excursions

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Questions



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