

SMALL BUSINESS COMEBACK ACT – HR 7671 HIGHLIGHTS

The Small Business Comeback Act was designed to ensure domestic economic recovery from the COVID-19 pandemic by supporting ongoing operations for impaired businesses. The Act creates a federal grant program patterned after the 9/11 Victims Compensation Fund using third-party financial capacity administered by a Special Administrator with robust Congressional and Inspector General oversight.

Highlights:

- Broad eligibility that focuses on the level of impairment of the business
 - Includes for-profit and nonprofit organizations, veteran's groups, Tribal business concerns, sole proprietors, independent contractors and certain self-employed individuals
- Priority access for women and minority-owned businesses, microbusinesses, and businesses serving rural and low-to-moderate income communities
- On-going funding stream to cover the cost of essential operations for up to 4 months, creating certainty for struggling businesses
- Utilization of third-party capacity to provide technical, accounting and payment services to the program
- Direct assistance through a multi-lingual online form with a formula-based determination
- Spending cap at the lesser of an applicant's average total monthly expense payments for up to four months or \$50 million in aggregate
- Eligible use of funds for payroll costs, costs related to the continuation of health care benefits during periods of paid sick, medical, or family leave, employee salaries or similar compensation for employees with annual salaries of less than \$100,000, rent, certain debt obligations, utilities, and federal, state, and local tax obligations
- Requires a good-faith certification that the funds will be used to retain at least 90% of its workforce as of the date of application and restore compensation and benefits to not less than 75 percent of its workforce within four months of the termination of the national emergency
- Significant anti-abuse restrictions and a final accounting of eligible operating costs and revenue no later than six months after the covered period may apply