

Small businesses need your help

Small businesses have had to deal with devastating losses during this pandemic.

Federal assistance programs, such as the Economic Injury Disaster Loan (EIDL), and the Paycheck Protection Program (PPP) have been helpful to larger businesses.

Restrictions on loan proceeds apply when a business makes over \$5 million in net income and has assets over \$15 million, or over 500 employees. Recently, these and other requirements have been eased.

When the PPP was rolled out, some banks had delayed application availability. Many were concerned about missing out, as funding depleted quickly, but were luckily replenished. Currently, funds are still available.

Originally, the application defined the loan amount over a longer period of payroll than the subsequent allowable expense period, to have the loan proceeds to be forgiven.

It is commendable that the federal government has fixed this issue, but that was done only a few weeks prior to the deadline to spend and allocate the funds, faced by many businesses.

Updated allowance of more allowable expenses came too late to take full advantage if an early application was made or if payroll periods are longer than weekly.

EIDL funds were dropped into bank accounts without notice or explanation. One must go online to seek out what policies exist and remain compliant.

It also took third party professional advice to find out if the EIDL (or grant) or PPP proceeds are taxable as forgiven debt.

Reaching out to accountants, it appears these funds are not directly taxable, but to the extent that they are used to pay deductible expenses, those expenses cannot be deducted. So, technically they are not taxable, but financially speaking, they are since they lower deductible expenses. Small businesses must use caution in their 2020 filings on this topic and regarding EIDL funds affecting any



MY TURN
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PPP forgiveness amount.

Another commendable program that has had some difficult repercussions for small businesses, is the federal unemployment supplemental extra \$600 per week to claimants. This is given on top of any amount in state unemployment qualification.

This created scenarios where businesses, when allowed to reopen had upset employees who were making more on unemployment than they would returning to work.

Business owners had to deal with communicating to valued employees that they would be in violation of unemployment laws, refusing work, and have benefits discontinued if they didn't come back to work, but would make less.

The extra \$600 per week made it helpful for self-employed individuals to file claims themselves. It was announced early on that unemployment benefits would be allowed during the pandemic, where typically self-employment is not qualified.

Unfortunately, this system has been very difficult for many to navigate, as the questions and documents

required were set up without self-employment in mind.

Many changes and updates in response to complaints from the self-employment community have occurred, such as originally requesting documents only applicable to sole practitioners versus partnerships or determining earnings outside the W-2 format.

The self-employment allowance was announced prior to the state system being able to accommodate the filings. Thus, many who filed in the first weeks got denied.

Those accounts are taking months to reset so the individuals can apply again.

This delay is due to the process being overwhelmed and not being able to provide communication for assistance. All phones lines are busy, and a message cannot be left, nor can one wait on hold, chat or email.

Presumably, Maryland unemployment will catch up to those needing assistance, and retroactively fix the problems.

In the meantime, it is hard to keep things going at this difficult time, especially for small businesses.

Howard County has started a grant program for restaurants, storefronts and the farming industry. Some have expressed concern that a broader spectrum of industries be addressed.

It is difficult to help more businesses locally, due to our county budget constraints.

Please support your local small businesses.

Lisa Markovitz, MSF, is president of the Maryland civic/political group, The People's Voice.

YOUR TURN

Share your views on this month's My Turn. Submissions must be signed, include a phone number and email address. Please keep your comment to 250 words or less and send them to info@bizmonthly.com

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LETTER TO THE EDITOR

50+ Center needs to be built

We are members of the steering committee, representing hundreds of seniors and their families throughout Howard County, advocating for a new East Columbia 50+ Center.

We are writing to express our strenuous objection to recent actions by County Council members David Yungmann, Deb Jung and Liz Walsh that effectively killed a plan to construct a new 50+ Center.

Every other part of the county has a large and amenity-filled dedicated 50+ Center. In contrast, the current East Columbia center is a narrow corridor with three rooms. The County's Master plan recognized the disparity in facilities as far back as 2015. This is inequitable and needs to be remedied.

The Council proposed a \$4.5 million cut to the proposed 50+ Center construction budget which represents a 27 percent cut. The three Council members' discussion at their May 27 budget meeting indicated that the cut would simply result in a construction delay. However, the Department of Public Works informed them that construction contracts move forward only when full funding is authorized.

A funding gap doesn't delay a project; it effectively kills the project. The Council then argued that the funds

to fill \$4.5 million gap could be found with County "carry over" money. The County does not have this type of carry over funds. Ultimately the three Council members reduced funding without regard to the fact that the cut would serve as a fatal blow for the project.

These actions will adversely impact seniors from all over the County who use the Center, not just those who live in east Columbia. Howard County prides itself on being "Age Friendly" but that phrase has no meaning if seniors are never a priority. We urge the three Council members to restore full funding for construction.

Our thanks go to Council members Christiana Rigby and Opel Jones for their steadfast support for full funding for construction of a new center.

Steering Committee for a New East Columbia 50+ Center

Fran LoPresti
Pearl Atkinson-Stewart
Claire Femiano
Allison Korn
Henrietta Milward
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