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Legislative update: Senate passes bill, payroll tax deferral for taxpayers with forgiven PPP loans (COVID-19)

The U.S. Senate in the evening of June 3, 2020, approved by voice vote the “Paycheck Protection Program Flexibility Act of 2020” (H.R. 7010).

The bill was passed by the House of Representatives on May 28, 2020, by a vote of 417 to 1. After being enrolled, the bill will be sent to the White House for action by the president.

The Paycheck Protection Program (PPP) was enacted as part of the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) (Pub. L. No. 116-136), to provide lending to both small and large businesses. The current bill would make several important changes to the PPP—such as extending the time for the expenditure of funds and easing the requirement that 75% of funds be used for wages. A tax provision of the bill would amend the CARES Act to allow the deferral of payroll taxes without losing forgiveness of indebtedness under the PPP.

Read text of [H.R. 7010](#) [PDF 187 KB]

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