



TaxNewsFlash

United States



No. 2020-370
June 5, 2020

President signs legislation providing payroll tax deferral for taxpayers with forgiven PPP loans (COVID-19)

President Trump today signed into law the “Paycheck Protection Program Flexibility Act of 2020” (H.R. 7010).

The date of enactment is June 5, 2020.

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 new law makes several important changes to the PPP—for instance, it extends the time for the expenditure of funds and eases the requirement that 75% of funds be used for wages. A tax provision of the legislation amends 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]

The information contained in TaxNewsFlash is not intended to be “written advice concerning one or more Federal tax matters” subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader’s knowledge on the matters addressed therein, and is not intended to be applied to any specific reader’s particular set of facts. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

KPMG International is a Swiss cooperative that serves as a coordinating entity for a network of independent member firms. KPMG International provides no audit or other client services. Such services are provided solely by member firms in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, partners,

or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at + 1 202.533.4366, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash-United States, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)