Legislative changes to "Shuttered Venue Operators Grant" program and PPP eligibility requirements

Changes to the “Shuttered Venue Operators Grant” (SVOG) program and “Paycheck Protection Program” (PPP) were included in the “American Rescue Plan Act of 2021” as signed into law by President Biden on March 11, 2021.

These changes now allow organizations to apply for and receive assistance from both programs, rather than forcing a choice between the two.

Background

The Consolidated Appropriations Act, 2021 (enacted December 27, 2020) (CAA 2021) provided funding for the SVOG program.

The SVOG program—like the PPP—is administered by the Small Business Administration (SBA) and intended to provide relief in response to financial challenges from the coronavirus (COVID-19) pandemic.

The SVOG program provides up to $10 million in funding for certain eligible entities, including those involved in producing and promoting theatrical and other live artistic performances, and those that operate venues hosting such performances, motion picture theaters, or museums. Read more about the SVOG program: TaxNewsFlash

The SBA has not yet opened the application process for grants. The deadline to apply for funding from the PPP is March 31, 2021.

Legislative changes

Previously, entities were not eligible for the SVOG if they filed an application or received support under the PPP after December 27, 2020.
Changes to the SVOG program and PPP eligibility included in the American Rescue Plan Act of 2021 (Rescue Act) include the following:

- Eligible applicants can now access both the SVOG and PPP—a legislative change intended to address SVOG’s delayed start.
- The Rescue Act provides $1.25 billion in additional funds for the SVOG program—a change made because the CAA 2021 did not include sufficient funding for all eligible applicants to be covered, based on rough estimates.
- The Rescue Act expands PPP eligibility to include additional nonprofits—such as section 501(c)(5) labor and agricultural organizations and community locations of larger nonprofits—and provides $7 billion of additional funding for this purpose.
- An additional $250 million is also provided to expand PPP eligibility for digital news services that provide local news and lifesaving information about public health guidance during the pandemic.

Documents

The changes in the SVOG and PPP (included in Title V of the American Rescue Plan Act of 2021) are described in a title-by-title summary [PDF 475 KB] as prepared by Senate Democratic staff.

Read more about the Rescue Act (including legislative text): TaxNewsFlash.

The SBA website includes information about the SVOG and PPP programs, as well as other SBA coronavirus relief programs.

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