Is More Stimulus Coming?

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in **CWA Blog**

The timeline for more federal coronavirus stimulus in the US has been delayed for at least a month, but there is still some chance that we will see legislation passed before November 3. A lot of the public discussion around stimulus pertains to unemployment benefits and Economic Impact Payments, and while those seem less likely to be included in any upcoming stimulus, there are several likely provisions that will help small businesses.

But first, here's where we're at in the negotiations. Additional stimulus has been actively discussed since the CARES act first passed on March 27. Very quickly, the House introduced the HEROES act which did not gain traction in the Senate. The Senate responded on July 27 by introducing the HEALS act, which pared the cost of the relief package and focused heavily on business needs.

The price tag on this bill was still in dispute and Senate Republicans crafted a new smaller proposal titled Delivering Immediate Relief to America's Families, Schools and Small Businesses Act. This proposal seems to indicate the direction that future relief packages may take focusing narrowly on certain sectors or interests rather than attempting to cover the needs of the entire country. This bill has not been successful yet and alternate packages are being discussed.

While a final bill may or may not incorporate some relief for climbing gym workers who are still experiencing unemployment, the possible areas of support for small business seem to be less contentious and there are several potential provisions that gym owners should be tracking:

1. You may gain some extra protection from the liability of coronavirus related lawsuits. Excluding gross negligence, employers are likely to be shielded from many lawsuits. Potential complaints would have to demonstrate that any damages they incurred were due

to exposure to coronavirus and that the business did not make reasonable efforts to comply with government standards or guidance.

2. For small businesses with at least a 50% reduction in gross revenues there may be an option to secure another loan through the Paycheck Protection Program. Similar to the first instance of the PPP, these loans may be forgivable if significant portions are used for payroll costs.
   The exact rules are likely to continue to be discussed, but as of now, it is possible that these loans could equal 2.5 times your total monthly payroll cost for a defined period maxing out at $2 million.

3. There may be an expansion of the Employee Retention Tax Credit to cover more workers, larger businesses, and lower the reduction in revenue needed to qualify. There is also the possibility that businesses could now make use of both this credit and the PPP, although not for the same payroll costs.

4. This most recent bill did not include the possibility of automatic loan forgiveness for PPP loans less than $150,000 but this idea has broad support and may come back in future proposals.

5. On a fun note, the HEALS act allowed for a 100% deduction of business meals through the end of 2020. This was missing in the latest proposal, however if it does return in future legislation make sure to cater a nice meal for your staff and support a local restaurant.

We will continue to monitor the status of stimulus for small businesses and advocate on behalf of the indoor climbing industry. There is still some chance that further aid will be available in the coming months, and as soon as more details are available, we will report on the key provisions that affect our industry.

About the Author

Garnet Moore is the Interim Executive Director at the Climbing Wall Association. Garnet brings more than a decade of experience in the climbing industry, serving gyms, manufacturers, and many climbing friends and partners.

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