



# GEORGIA CHAMBER

## Resiliency & Recovery Initiative

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## Summary of 501(c)6 Eligibility in Pandemic Relief Package Expansion of PPP

*Provided by the U.S. Chamber of Commerce*

The final pandemic relief package restarts the **Paycheck Protection Program (PPP)** and **expands PPP eligibility to include 501(c)6 organizations**. The language begins on page 2102 (in the original document) and can be found [HERE](#). **The authority to make new PPP loans will terminate on March 31, 2021**. We expect the pandemic relief bill to become law this week.

501(c)(6) organizations are eligible to receive a PPP loan provided:

- They are **not a professional sports league** or **organized for the purpose of promoting or participating in a political campaign** (Note: this will not impact chambers of commerce or trade associations);
- They do not employ more than **300 employees**;
- They do not receive **more than 15% of their receipts from lobbying** activities.
- Lobbying activities **do not compromise more than 15% of the organization's total activities**; and
- The **cost** of the lobbying activities of the organization **did not exceed \$1,000,000 during the most recent tax year** that ended prior to February 15, 2020.

If an organization **fails any of these tests, they are NOT eligible** to receive a PPP loan. Similar rules apply to Destination Marketing Organizations.

Lobbying activities are not defined in the section. The Small Business Administration (SBA) may provide a definition or guidance. Congressional staff have used information available in the 990 tax form

when discussing the impact of the 15% lobbying activities limitation. Specifically, staff have compared the lobbying expenses reported on schedule C, Part III-B, Line 2 with the total expenses reported for the year (Page 1, line 18). *(Note that these lines may be different if you are using a 990 form vs. 990EZ.)*

Absent further guidance, organizations may wish to analyze their most recent 990 to determine whether they may be eligible to apply for a PPP loan and may wish to proceed with their lender if they believe they do qualify.

The bill **also expands allowable uses for PPP funds and simplifies the loan process**.

We will be providing separate information on the other PPP changes, testing, tracing, and COVID-19 mitigation programs. Click [HERE](#) to view the bill text.

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