

116TH CONGRESS
2D SESSION

H. R. 6781

To provide for improved coordination between the paycheck protection program and the employee retention tax credit.

IN THE HOUSE OF REPRESENTATIVES

MAY 8, 2020

Mr. PAPPAS (for himself, Mr. HAGEDORN, and Mrs. MURPHY of Florida) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Small Business, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide for improved coordination between the paycheck protection program and the employee retention tax credit.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Paycheck Protection
5 Program Improved Coordination Act of 2020”.

1 **SEC. 2. IMPROVED COORDINATION BETWEEN PAYCHECK**
2 **PROTECTION PROGRAM AND EMPLOYEE RE-**
3 **TENTION TAX CREDIT.**

4 (a) AMENDMENT TO PAYCHECK PROTECTION PRO-
5 GRAM.—Section 1106(a)(8) of the CARES Act is amended
6 by inserting “, except that such costs shall not include
7 qualified wages taken into account in determining the
8 credit allowed under section 2301 of this Act” before the
9 period at the end.

10 (b) AMENDMENTS TO EMPLOYEE RETENTION TAX
11 CREDIT.—

12 (1) IN GENERAL.—Section 2301(g) of the
13 CARES Act is amended to read as follows:

14 “(g) ELECTION TO NOT TAKE CERTAIN WAGES
15 INTO ACCOUNT.—

16 “(1) IN GENERAL.—This section shall not apply
17 to qualified wages paid by an eligible employer with
18 respect to which such employer makes an election
19 (at such time and in such manner as the Secretary
20 may prescribe) to have this section not apply to such
21 wages.

22 “(2) COORDINATION WITH PAYCHECK PROTEC-
23 TION PROGRAM.—The Secretary, in consultation
24 with the Administrator of the Small Business Ad-
25 ministration, shall issue guidance providing that
26 payroll costs paid or incurred during the covered pe-

1 riod shall not fail to be treated as qualified wages
2 under this section by reason of an election under
3 paragraph (1) to the extent that a covered loan of
4 the eligible employer is not forgiven by reason of a
5 decision under section 1106(g). Terms used in the
6 preceding sentence which are also used in section
7 1106 shall have the same meaning as when used in
8 such section.”.

9 (2) CONFORMING AMENDMENTS.—

10 (A) Section 2301 of the CARES Act is
11 amended by striking subsection (j).

12 (B) Section 2301(l) of the CARES Act is
13 amended by striking paragraph (3) and by re-
14 designating paragraphs (4) and (5) as para-
15 graphs (3) and (4), respectively.

16 (c) EFFECTIVE DATE.—The amendments made by
17 this section shall take effect as if included in the provisions
18 of the CARES Act to which they relate.

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