DMO Relief NOW and What's NEXT

U.S. TRAVEL ASSOCIATION
Phase 3.5 legislation passed this week to replenish funds for the Paycheck Protection Program (PPP) and Economic Injury Disaster Loans (EIDL) Program

- It provides an additional $310 billion for the PPP and $60 billion for the EIDL Program, as well as additional funding for hospitals and healthcare providers.
- The bill was intended to be narrow and specifically address funding shortfalls for these two programs.
- No change to eligibility, increase in PPP loan amounts or more flexible loan forgiveness.
The Paycheck Protection Program
Current Asks

- Ensure Robust Testing and Contact Tracing
- Incentivize Business & Leisure Travel
- Create a Temporary Travel Tax Credit
- Reinstate the Entertainment Business Expense Deduction
- Promote Healthy Travel Practices
- Economic Development Assistance Program Grants
- Reinvest in and Modernize Travel Infrastructure
- Invest in the Conservation and Visitor Experience of National Parks and Public Lands
- Fund the National Travel Infrastructure Strategy
- Preparedness for the Future
- Federal Backstop for Pandemic Risk Insurance
DMO Eligibility for CARES Act Assistance

501c4 and 501c6 organizations:
- SBA Coronavirus Economic Injury Disaster Loans
- Exchange Stabilization Fund
- Community Development Block Grants (subject to local discretion)
- Economic Development Administration Grants (subject to federal discretion)
- Employee retention tax credit and payroll tax deferral

Political Subdivisions, States or Municipalities:
- Exchange Stabilization Fund
- Community Development Block Grants (subject to local discretion)
- Economic Development Administration Grants (subject to federal discretion)
- Payroll tax deferral
# SBA Economic Injury Disaster Loans

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<th>WHO IS ELIGIBLE?</th>
<th>MAIN BENEFITS</th>
<th>MAX LOAN</th>
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| **SELF-EMPLOYED INDIVIDUALS** | • Available to a broad group of businesses and organizations.  
• Can be used for a broad array of purposes.  
• You can go directly to the SBA.  
• You can be approved on Credit Score alone.  
• You don’t have to exist for more than a year (only since January 31).  
• You don’t have to provide a personal guarantee for loans of $200,000 or less.  
• Quick way to get cash.  
• You can get an immediate grant of $10,000 within 3 days of applying. | • The maximum loan amount is based on lost revenue due to COVID-19  
• Up to the amount needed to cover ordinary expenses (statutory cap of $2 million) |
| **SMALL BUSINESSES THAT HAVE 500 OR LESS EMPLOYEES**, with some exceptions. | | |
| **COOPERATIVES** with 500 employees or less | | |
| **ANY NON-PROFIT ORGANIZATION** | | |
| **EMPLOYEE STOCK OWNERSHIP PLANS** with 500 employees or less. | | |
Community Development **Block Grants (CDBG)**

CARES Act provided **$5B in additional funding** for the CDBG program to help states and local governments, in three tranches.

**First round of funding ($2B) has already been distributed:**

- **Reach out to a grantee ASAP** to seek subgrants for tourism promotion
- **Template letters are on our website**: one for DMOs to contact CDBG grantees, one for CDBG grantees to request HUD waiver
- **Waivers for tourism promotion must be requested by the grantee**, NOT the DMO
Second round ($1B) and third round ($2B) not yet distributed:

- Unclear how these grants will be distributed at this time—guidance forthcoming
- Under current rules, at least 70% of CDBG funds must be used for activities that benefit low- and moderate-income people
Economic Development Administration Disaster Grants

CARES Act provided **$1.5 billion for EDA’s Economic Adjustment Program**, which can be used by grantees to respond to economic injury as a result of COVID-19.

**Eligible grantees:** state and local governments; nonprofits with support of a state or local government; Economic Development Districts

**Eligible projects:** Eligible applicants must identify projects that align with an approved Comprehensive Economic Development Strategy (CEDS) AND either:

- Help avoid actual or threatened severe unemployment,
- Address economic adjustment problems resulting from severe changes in economic conditions, or
- Provide loans to small businesses that can’t otherwise access credit
Notice of funding opportunity **expected in the next week**:

- May consist of **grants, loans, or both**
- Once released, eligible grantees must submit applications to **EDA regional office**

**Focus of grants:** long-term economic development in conjunction with support from private and public sectors

**Reach out to your regional economic development authority ASAP**
TAX RELIEF

EMPLOYEE RETENTION TAX CREDIT

- Available to any non-governmental employer
- Must have been forced to fully or partially shut down due to a government order OR experienced more than 50% decline in gross revenue in a quarter this year (compared to same quarter last year)
- Not eligible: State agencies, local agencies, subdivisions of states, instruments of state or local government
- Refundable tax credit worth 50% of eligible employee compensation (up to $5,000 per employee)
- Families First Coronavirus Response Act: These benefits cannot be included in employee compensation calculation
- Can claim the credit on Form 941 and request an advance by filing Form 7200

DEFERRAL OF EMPLOYER PAYROLL TAXES

- Available to all employers and self-employed individuals, including governmental entities
- Not eligible: Anyone who has SBA interruption loans forgiven under the Payroll Protection Program
- Can only be claimed by direct employers, not third-party payroll administrators or Professional Employer Organizations
- Defer the employer portion of Social Security taxes owed this year to 2021 (50% deferred taxes must be paid) and 2022 (remaining balance must be paid)
ACCESS THE TOOLKIT:
ustravel.org/DestinationResources