Dear Senator Hoeven:

The North Dakota CPA Society on behalf of our 1700 members, respectfully asks that you co-sponsor S. 3612, the Small Business Expense Protection Act of 2020.

This bill will clarify that the receipt and forgiveness of Coronavirus assistance through the Paycheck Protection Program (PPP) does not affect the deductibility of ordinary business expenses.

On April 30, 2020, the Internal Revenue Service (IRS) released Notice 2020-32, which indicates that no tax deduction is allowed for an expense that is otherwise deductible if the payment of the expense results in forgiveness of a PPP covered loan. S. 3612 will remedy the IRS guidance and allow taxpayers to deduct covered expenses paid or incurred by an eligible recipient of a small business loan that is forgiven pursuant to section 1106(b)4 of the CARES Act.

It is clear that Congress intended to allow a full deduction for PPP related expenses. This important legislation helps ensure that small business taxpayers affected by the ongoing pandemic will receive the full intended benefits of the CARES Act.

We hope you’ll reach out to Andrew Siracuse (Andrew_Siracuse@cornyn.senate.gov) in Senator Cornyn’s office to become a co-sponsor of this important legislation.

Thank you for your commitment to the economic recovery of our country during these unprecedented times, and especially for your leadership in helping small businesses, the engine of economic growth in our state and throughout the U.S.

Please call on us if we can answer questions.

Sincerely,

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