

117TH CONGRESS
1ST SESSION

S. 1140

To amend the Small Business Act to alter the maximum amount of a second draw loan under the Paycheck Protection Program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 15, 2021

Mr. KING (for himself and Ms. COLLINS) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To amend the Small Business Act to alter the maximum amount of a second draw loan under the Paycheck Protection Program, and for other purposes.

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 “Seasonal Business
5 PPP Parity Act”.

6 **SEC. 2. MAXIMUM AMOUNT OF SECOND DRAW LOAN.**

7 (a) IN GENERAL.—Section 7(a)(37) of the Small
8 Business Act (15 U.S.C. 636(a)(37)) is amended by strik-
9 ing subparagraph (C) and inserting the following:

“(C) MAXIMUM LOAN AMOUNT.—

“(i) IN GENERAL.—Except as otherwise provided in this subparagraph, the maximum amount of a covered loan made to an eligible entity is the sum of—

“(I) the lesser of—

“(aa) the product obtained by multiplying—

“(AA) at the election of the eligible entity, the average total monthly payment for payroll costs incurred or paid by the eligible entity during the 1-year period before the date on which the loan is made or calendar year 2019; by

“(BB) 2.5; or

“(bb) \$2,000,000; plus

“(II) with respect to a loan received under paragraph (36) for which the eligible entity received forgiveness under section 1106 of the CARES Act (as in effect before the date of enactment of this paragraph), the amount

1 of an increase with respect to that
 2 loan that the eligible entity would
 3 have been eligible to receive under sec-
 4 tion 312 of the Economic Aid to
 5 Hard-Hit Small Businesses, Non-
 6 profits, and Venues Act (title III of
 7 division N of Public Law 116–260) if
 8 the eligible entity had not received
 9 such forgiveness.

10 “(ii) SEASONAL EMPLOYERS.—The
 11 maximum amount of a covered loan made
 12 to an eligible entity that is a seasonal em-
 13 ployer is the sum of—

14 “(I) the lesser of—

15 “(aa) the product obtained
 16 by multiplying—

17 “(AA) at the election of
 18 the eligible entity, the aver-
 19 age total monthly payments
 20 for payroll costs incurred or
 21 paid by the eligible entity
 22 for any 12-week period be-
 23 tween February 15, 2019
 24 and February 15, 2020; by

25 “(BB) 2.5; or

1 “(bb) \$2,000,000; plus

2 “(II) with respect to a loan re-
3 ceived under paragraph (36) for which
4 the seasonal employer received for-
5 giveness under section 1106 of the
6 CARES Act (as in effect before the
7 date of enactment of this paragraph),
8 the amount of an increase with re-
9 spect to that loan that the seasonal
10 employer would have been eligible to
11 receive under section 312 of the Eco-
12 nomic Aid to Hard-Hit Small Busi-
13 nesses, Nonprofits, and Venues Act
14 (title III of division N of Public Law
15 116–260) if the seasonal employer
16 had not received such forgiveness.

17 “(iii) NEW ENTITIES.—The maximum
18 amount of a covered loan made to an eligi-
19 ble entity that did not exist during the 1-
20 year period preceding February 15, 2020
21 is the sum of—

22 “(I) the lesser of—

23 “(aa) the product obtained
24 by multiplying—

1 “(AA) the quotient ob-
2 tained by dividing the sum
3 of the total monthly pay-
4 ments by the eligible entity
5 for payroll costs paid or in-
6 curred by the eligible entity
7 as of the date on which the
8 eligible entity applies for the
9 covered loan by the number
10 of months in which those
11 payroll costs were paid or
12 incurred; by

13 “(BB) 2.5; or

14 “(bb) \$2,000,000; plus

15 “(II) with respect to a loan re-
16 ceived under paragraph (36) for which
17 the eligible entity received forgiveness
18 under section 1106 of the CARES Act
19 (as in effect before the date of enact-
20 ment of this paragraph), the amount
21 of an increase with respect to that
22 loan that the eligible entity would
23 have been eligible to receive under sec-
24 tion 312 of the Economic Aid to
25 Hard-Hit Small Businesses, Non-

profits, and Venues Act (title III of
division N of Public Law 116–260) if
the eligible entity had not received
such forgiveness.

“(iv) NAICS 72 ENTITIES.—The maximum amount of a covered loan made to an eligible entity that is assigned a North American Industry Classification System code beginning with 72 at the time of disbursement is the sum of—

“(I) the lesser of—

“(aa) the product obtained
by multiplying—

“(AA) at the election of
the eligible entity, the average total monthly payment for payroll costs incurred or paid by the eligible entity during the 1-year period before the date on which the loan is made or calendar year 2019; by

“(BB) 3.5; or

“(bb) \$2,000,000; plus

1 “(II) with respect to a loan re-
2 ceived under paragraph (36) for which
3 the eligible entity received forgiveness
4 under section 1106 of the CARES Act
5 (as in effect before the date of enact-
6 ment of this paragraph), the amount
7 of an increase with respect to that
8 loan that the eligible entity would
9 have been eligible to receive under sec-
10 tion 312 of the Economic Aid to
11 Hard-Hit Small Businesses, Non-
12 profits, and Venues Act (title III of
13 division N of Public Law 116–260) if
14 the eligible entity had not received
15 such forgiveness.”.

16 (b) EFFECTIVE DATE; APPLICABILITY.—The amend-
17 ments made by subsection (a) shall be effective as if in-
18 cluded in the Economic Aid to Hard-Hit Small Busi-
19 nesses, Nonprofits, and Venues Act (title III of division
20 N of Public Law 116–260) and shall apply to any loan
21 made pursuant to section 7(a)(37) of the Small Business
22 Act (15 U.S.C. 636(a)(37)) before, on, or after the date
23 of enactment of this Act.

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