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117TH CONGRESS
1ST SESSION

S. 1232

To modify the maximum paycheck protection program loan amount for farmers and ranchers, sole proprietors, independent contractors, and self-employed individuals.

IN THE SENATE OF THE UNITED STATES

APRIL 20, 2021

Ms. BALDWIN introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To modify the maximum paycheck protection program loan amount for farmers and ranchers, sole proprietors, independent contractors, and self-employed individuals.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CALCULATION OF MAXIMUM PPP LOAN AMOUNT.

(a) IN GENERAL.—Section 7(a)(36)(V) of the Small Business Act (15 U.S.C. 636(a)(36)(V)) is amended—

(1) by striking clause (i) and inserting the following:

"(i) DEFINITION.—In this subparagraph, the term 'covered recipient' means an eligible recipient that—

"(I)(aa) operates as a sole proprietorship, as an independent contractor, or as a partnership with gross farming income from self-employment; or

"(bb) is an eligible self-employed individual;

"(II) reports farm income or expenses on a Schedule F (or any equivalent successor schedule); and

"(III) was in business as of February 15, 2020."; and

(2) by striking clause (iv) and inserting the following:

"(iv) PARTNERSHIPS WITH NO EMPLOYEES.—With respect to a partnership without employees, the maximum covered loan amount shall be equal to the sum of—

"(I) the product obtained by multiplying—

"(aa) the gross income, limited to the amount attributable to general partners as determined by the sum of their distributive shares of gross farming income from self-employment, that is not more than $100,000 per partner, and no more than $500,000 in total, divided by 12; and

“(bb) 2.5; and

“(II) the outstanding amount of a loan under subsection (b)(2) that was made during the period beginning on January 31, 2020 and ending on April 3, 2020 that the borrower intends to refinance under the covered loan, not including any amount of any advance under the loan that is not required to be repaid.

“(v) RECALCULATION.—

“(I) IN GENERAL.—A lender that made a covered loan before the date of enactment of the PPP Flexibility for Farmers, Ranchers, and the Self-Employed Act may, at the request of the covered recipient—

“(aa) recalculate the maximum loan amount applicable to that covered loan based on the formula described in clause (ii), (iii), or (iv), as applicable, if doing so would result in a larger covered loan amount; and

“(bb) provide the covered recipient with additional covered loan amounts based on that recalculation.

“(II) LOAN LIMITATION.—For purposes of receiving a recalculated loan amount related to a covered loan under subclause (I), paragraph (37)(F) shall not apply.

“(III) EFFECT OF FORGIVENESS.—Subject to rules issued by the Administrator, a covered recipient shall be eligible to submit a request for a recalculated loan amount related to a covered loan under subclause (I) without regard to whether the covered recipient has sought or received forgiveness with respect to the applicable covered loan under section 7A.

"(IV) FORGIVENESS OF RECALCULATED LOAN AMOUNT.—For purposes of this subparagraph, as soon as is practicable upon expenditure of additional covered loan amounts provided under subclause (I)—

"(aa) an eligible recipient shall attest to compliance with applicable requirements under this paragraph; and

"(bb) the additional covered loan amounts shall be forgiven under section 7A.

"(V) REIMBURSEMENT FOR LOAN PROCESSING.—The Administrator shall reimburse a lender for processing recalculation requests under this clause in an amount determined by the Administrator.".

(b) EFFECTIVE DATE; APPLICABILITY.—The amendments made by subsection (a) shall be effective as if included in the CARES Act (Public Law 116–136) and shall apply to any loan made pursuant to section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)) before, on, or after the date of enactment of this Act.