

# Perspectives

*Set the bar higher.*

**JACKSON  
THORNTON**

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## **EIDL Grants Will NOT Reduce PPP Loan Forgiveness Amounts**

Clients & Friends -

One of the provisions with forgiveness of Paycheck Protection Program (PPP) loans was that they must be reduced by any Economic Injury Disaster Loan (EIDL) grant taken by your business. With the recently signed Consolidated Appropriations Act (CAA) 2021, forgiveness is NOT reduced by the EIDL grant (up to \$10,000).

If you have already applied for PPP loan forgiveness prior to CAA 2021 being passed, you may want to contact your bank to see if they can stop the application submission process to the Small Business Administration. Hopefully, you can then adjust your application so as not to reduce the forgiveness amount by the EIDL grant amount. You may also want to wait until additional guidance is issued to submit/resubmit your PPP forgiveness application. If you would like our assistance with this adjustment, please contact your Jackson Thornton tax advisor or Jason Wells at [jason.wells@jacksonthornton.com](mailto:jason.wells@jacksonthornton.com).

If we are currently assisting you with your company's forgiveness application, we will make the necessary adjustment and contact you.

For the latest information and updated forms, please visit our COVID-19 news and updates [page](#).

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