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Applications for the PPP opened April 3, 2020 for small businesses with less than 500 employees and on April 10<sup>th</sup> for sole proprietors and independent contractors. Below is an example of the calculation for a sole practitioner with no employees:

Facts:

Net profit from 2019 Sch. C line 31	\$ 215,000
Excess earnings	\$ 115,000
Maximum Payroll Costs	\$ 100,000

Calculated Maximum Loan:

Average Monthly Payroll Cost	\$ 8,333
Allowed Multiple	2.5
Maximum Covered Loan	\$ 20,833

Anticipated Loan Forgiveness:

Payroll Costs for 2019	\$ 100,000
% for 8 weeks	15.385%
Total Forgivable	\$ 15,385

Requested Covered loan (round down)	\$ 15,300
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*For individuals with self-employment income who file a Schedule C, the SBA, in consultation with the Secretary of Treasury, has determined that it is appropriate to limit loan forgiveness to a proportionate eight-week share of 2019 net profit, as reflected in the individual's 2019 Form 1040 Schedule C. This is because many self-employed individuals have few of the overhead expenses that qualify for forgiveness under the Act.*