

**[DISCUSSION DRAFT]**116<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION**H. R.** \_\_\_\_\_

To amend the Small Business Act and the CARES Act to modify certain provisions related to the forgiveness of loans under the paycheck protection program, to allow recipients of loan forgiveness under the paycheck protection program to defer payroll taxes, and for other purposes.

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**IN THE HOUSE OF REPRESENTATIVES**

Mr. ROY introduced the following bill; which was referred to the Committee  
on \_\_\_\_\_

**A BILL**

To amend the Small Business Act and the CARES Act to modify certain provisions related to the forgiveness of loans under the paycheck protection program, to allow recipients of loan forgiveness under the paycheck protection program to defer payroll taxes, 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 “Paycheck Protection  
5 Program Flexibility Act of 2020”.

1 **SEC. 2. MATURITY FOR LOANS WITH REMAINING BALANCE**  
2 **AFTER APPLICATION OF FORGIVENESS.**

3 Section 7(a)(36)(K)(ii) of the Small Business Act (15  
4 U.S.C. 636(a)(36)) is amended by inserting “minimum  
5 maturity of 5 years and a” before “maximum maturity”.

6 **SEC. 3. AMENDMENTS TO PAYCHECK PROTECTION PRO-**  
7 **GRAM LOAN FORGIVENESS.**

8 Section 1106 of the CARES Act (Public Law 116–  
9 136) is amended—

10 (1) in subsection (a), by striking paragraph (3)  
11 and inserting the following:

12 “(3) the term ‘covered period’ means the period  
13 beginning on the date of the origination of a covered  
14 loan and ending on the earlier of—

15 “(A) the date that is 24 weeks after such  
16 date of origination; or

17 “(B) December 31, 2020;” and

18 (2) in subsection (d)—

19 (A) in paragraph (5)(B), by striking “June  
20 30, 2020” each place it appears and inserting  
21 “December 31, 2020”; and

22 (B) by adding at the end the following new  
23 paragraphs:

24 “(7) EXEMPTION BASED ON EMPLOYEE AVAIL-  
25 ABILITY.—During the period beginning on February  
26 15, 2020, and ending on December 31, 2020, the

1 amount of loan forgiveness under this section shall  
2 be determined without regard to a reduction in the  
3 number of full-time equivalent employees if an eligi-  
4 ble recipient—

5 “(A) is unable to rehire an individual who  
6 was an employee of the eligible recipient on or  
7 before February 15, 2020; or

8 “(B) is able to demonstrate an inability to  
9 hire similarly qualified employees on or before  
10 December 31, 2020.

11 “(8) NO LIMITATIONS.—In carrying out this  
12 section, the Administrator may not limit the non-  
13 payroll portion of a forgivable covered loan  
14 amount.”.

15 **SEC. 4. DELAY OF PAYMENT OF EMPLOYER PAYROLL**  
16 **TAXES.**

17 Section 2302(a) of the CARES Act (Public Law 116–  
18 136) is amended by striking paragraph (3).

19 **SEC. 5. EFFECTIVE DATE; APPLICABILITY.**

20 The amendments made by this Act shall be effective  
21 as if included in the CARES Act (Public Law 116–136)  
22 and shall apply to any loan made pursuant to section  
23 7(a)(36) of the Small Business Act (15 U.S.C.  
24 636(a)(36)) or section 1109 of the CARES Act.