

**Mississippi COVID-19 Relief Payment Fund (DOR) &
2020 COVID-19 Mississippi Business Assistance Act - Back to Business Mississippi Grant Program (MDA)**

Section 1. Transfer of Funds

- State Fiscal Officer shall transfer \$7,599,822 to the Capital Expense Fund
- State Fiscal Officer shall transfer \$900 Million from the DFA Cares Act COVID-19 Fund to the Budget Contingency Fund
- State Fiscal Officer shall transfer \$60 Million from the DFA Cares Act COVID-19 to the Mississippi COVID-19 Relief Payment Fund
- State Fiscal Officer shall transfer \$240 Million from the DFA Cares Act COVID-19 to the Back to Business Mississippi Grant Fund
- MDA shall have authority to receive, budget, and escalate these funds for providing grants under Sections 5 – 10

Section 2.

- FY20 – DFA shall have the authority to receive, budget, and escalate federal funds in the DFA Cares Act COVID-19 Fund in an amount not to exceed \$50 Million.

Section 3. Legislative Intent – to provide economic support to eligible businesses for costs incurred related to COVID-19.

Section 4. Direct Payment Section

- Department – Mississippi Department of Revenue
- Eligible Taxpayer – a resident taxpayer that:
 - o Was registered with the Department before March 1, 2020, had an EIN or SSN before March 1, 2020, and/or had an active department withholding account established before March 1, 2020, which withholding account was not for the purpose of paying household employees or as a home healthcare recipient.
 - o Had a certain NAICS code before March 1, 2020 and was engaged as an active business in such activity before March 1, 2020.
 - o Was subject to any COVID-19 related state, municipal, and/or county required business closure or voluntary closure.
 - o Filed state taxes for 2018 tax year or 2019 tax year or (if formed on or after January 1, 2002) plans to file state taxes for 2020, unless tax exempt.
 - o Has customers or employees coming to physical premises, conducts business on customer premises, or has an owner who is an active participant in the day-to-day operations of the business.
 - o Has no more than 50 full-time equivalent employees, as of March 1, 2020.
 - o Is not a subsidiary of a business with more than 50 full-time equivalent employees, is not part of a larger business enterprise with more than 50 full-time equivalent employees and is not owned by a business with more than 50 full-time equivalent employees.
- Mississippi COVID-19 Relief Payment Fund
 - o Separate and special fund created in State Treasury; shall consist of funds made available by Legislature in any manner and funds from any other source designated. Unexpended funds at end of FY shall not lapse into the General Fund.
 - o November 1, 2020 – Governor shall have discretion to transfer unobligated monies from this fund to another state agency to be used for eligible expenses pursuant to the CARES Act.
 - o Department shall establish a program to provide payments to eligible taxpayers. Direct payment of **\$2,000** to eligible taxpayers.
 - o Department shall coordinate with various professional licensing boards and other regulatory entities for the purpose of determining eligible taxpayers and compile a report of eligible taxpayers.
 - o Any office, division, board, bureau, committee, institution or agency of the state shall at the request of MDA, provide the facilities, assistance, information and data needed to enable MDA to carry out its duties.

Section 5. 2020 COVID-19 Mississippi Business Assistance Act (creates grant program)

Section 6. Grant Program - Definitions

- Eligible business –
 - o A corporation, LLC, partnership or sole proprietorship that is domestic prior to March 1, 2020.
 - o If applicable, is in good standing with Secretary of State **sole proprietors do not register with SOS*
 - o Suffered a business interruption
 - o Has a controlling interest owned by 1 or more Mississippi residents, whether individual resident citizens or Mississippi domestic business entities.
 - o Filed state taxes for 2018 tax year or 2019 tax year or (if formed on or after January 1, 2002) plans to file state taxes for 2020, unless tax exempt.
 - o Has customers or employees coming to physical premises, conducts business on customer premises, or has an owner who is an active participant in the day-to-day operations of the business.
 - o Has no more than 50 full-time equivalent employees, as of March 1, 2020.
 - o Is not a subsidiary of a business with more than 50 full-time equivalent employees, is not part of a larger business enterprise with more than 50 full-time equivalent employees and is not owned by a business with more than 50 full-time equivalent employees.

- Does not exist for the purpose of advancing partisan political activities, does not directly lobby federal or state officials and has not employed or otherwise worked with a lobbyist during any point in 2020.
- Does not derive income from passive investments without active participation in business operations
- **Business interruption** – disruption of regular business operations resulting from required or voluntary closure related to COVID-19.
- **Eligible expense** – any cost, not reimbursed from another source, incurred by an eligible business for public health measures or due to business interruption. Eligible expenses from business interruption may consist only of mortgage interest, rent, payroll, and utilities, or other COVID-19 related expenses (during a 2-month period) allowed by law. Eligible expenses do not include lost profits. No cost will be considered an eligible expense if found to be ineligible under the Treasury guidelines.
- **Grant** – award by MDA to an eligible business to cover eligible expenses.
- **Program** – Back to Business Mississippi Grant Program
- **Minority Business Enterprise** – a socially and economically disadvantaged small business concern, owned or controlled by one or more minorities or minority business enterprises certified by MDA, at least 50% of whom are resident citizens.

Section 7. The Grant Program

- Program will be administered by MDA.
- Program’s purpose is to make grants to eligible businesses to reimburse them for eligible expenses.
- Application period – for the first 21 days of the application period, MDA shall only consider and review applications from eligible businesses that (i) did not receive an SBA PPP loan or an EIDL advance, (ii) did not receive and has not been awarded reimbursement under any other federal program for the expenses that will be reimbursed by a grant under this section and (iii) did not receive compensation from an insurance company for the business interruption. After the completion of such 21-day period, MDA shall consider and review applications from other eligible businesses.
- MDA shall develop regulations, procedures and application forms to administer the program.
- After receiving at least 2 bids, MDA may enter into a personal services contract, for time and expense not to exceed \$900,000, for the administration of the program.
- MDA may retain up to \$900,000 to pay reasonable expenses to administer the program.

Section 8. Application & Terms

- Eligible business shall apply for a grant with MDA. Application form shall be in a form satisfactory to MDA and shall include verified documentation, signed under penalty of perjury.
- MDA shall use the funds to make grants to eligible businesses to cover eligible expenses.
- Use of grant shall be subject to audit by the US Treasury and State Auditor.
- If a business is found to be fully or partially noncompliant with grant requirements, the business shall return to the state all or partial grant monies received.
- Business shall confirm their understanding of these terms upon application.
- Program shall be subject to the following terms:
 - Grant may be awarded to an eligible business in an amount of **\$1,500 - \$25,000**. In determining the amount of the grant, MDA shall consider the eligible expenses itemized by the application form.
 - For the first 60 days of application period, \$40 Million in grants shall be set aside for minority business enterprises.
 - Grants awarded shall be protected from creditors.
 - Grants awarded shall not be subject to taxable income; however, eligible expenses for which grants are received may not be itemized as tax deductions.

Section 9. Grant Fund

- Establishes a special fund at the State Treasury to be called “Back to Business Mississippi Grant Fund”.
- Grants authorized by this Act shall be disbursed out of this Fund.
- All monies shall be disbursed in compliance with the requirements of the CARES Act and the Treasury guidelines.
- November 1, 2020 – Governor shall have discretion to transfer unobligated monies from this fund to another state agency to be used for eligible expenses pursuant to the CARES Act.

Section 10. Working with other agencies, etc.

- Any office, division, board, bureau, committee, institution or agency of the state shall at the request of MDA, provide the facilities, assistance, information and data needed to enable MDA to carry out its duties. MDA shall work with the Department of Revenue to verify applicant tax information and with DHS to promote application by childcare organizations. The Secretary of State shall notify all registered businesses of the availability of grants.

Section 11. PPP – Funds received under the PPP shall not be subject to tax. Eligible expenses for which PPP funds are received may not be itemized as tax deductions.

Section 12. Severability – If any section, paragraph, sentence, clause, phrase or any part of this act is declared to be in conflict with federal law, or if declared invalid, the remaining sections, paragraphs, sentences, clauses, phrases or parts thereof shall be in no manner affected by shall remain in full force and effect.

Section 13. Effective Date – effective after passage