

# CLIENT ALERT

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## UPDATED INFORMATION REGARDING THE \$200 MILLION IN FUNDING AVAILABLE FOR SMALL BUSINESSES THROUGH NEW TENNESSEE BUSINESS RELIEF PROGRAM

by Kevin W. DeHart and Ralph Levy, Jr.

On June 15, 2020, we advised you about the recently announced Tennessee Business Relief Program ("TBRP") in which \$200 Million will be distributed to small businesses that have suffered losses due to COVID 19. Since then, the Tennessee Department of Revenue ("TDOR") has continued to provide additional guidance and details about administration of the TBRP. Most recently, the TDOR provided more details including information as to business relief payment amounts, eligibility notices and permitted payment uses.

According to the TDOR, eligibility notifications were first sent to businesses beginning the last week of June. Once notified, businesses will visit a designated website and be prompted to complete an online pre-award certification form in order to verify their eligibility criteria and agree to the program's payment guidelines. In order to expedite the payment process, businesses with an email address associated with their Tennessee Taxpayer Access Point account will be notified of eligibility through e-mail. Remaining businesses will be notified of eligibility by letter. In addition, businesses owners who do not have online access will be asked to complete a paper certification form which may lead to a delay in receiving relief funds. Once the pre-award certification form has been completed and a business' eligibility is confirmed, the confirmation number must be noted when finalizing the submission for relief. Afterward, the TDOR will issue a business relief payment. The TDOR anticipates that payments under the program will begin during the first week of July. As stated in our original article, business relief payment amounts will be based on the annual gross sales of the business. For example, an eligible business with annual sales of over \$500,000 but less than \$1,000,000 can anticipate it will be eligible for \$10,000 of relief under the program.

The TDOR has stated that any funds received from the TBRP should be used to respond to the financial disruption resulting from COVID-19 and its effects on each individual business. Since the funds must not be used for payment of tax liabilities to a government agency, the TBRP website also contains information as to the permitted uses and the need for businesses to keep records regarding how the funds are spent in order to track the TBRP payments. By accepting funds, the TDOR has stated that businesses acknowledge and agree that they are subject to potential audit or other verification by the State of Tennessee concerning the qualification for and use of the TBRP payments. Funds are subject to recapture by the State of Tennessee if payment and use requirements are not met.

If your business has been negatively impacted by the COVID-19 pandemic and you have questions about the TBRP, Dickinson Wright attorneys are here to help. For more information, call Ralph Z. Levy Jr., Esq., at 615-620-173, or Kevin W. DeHart, Esq., at 615-780-1115, in the Nashville, TN office.

### ABOUT THE AUTHORS



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