In the wake of Congress’ recent decision to allow a tax deduction for expenses paid with forgiven Paycheck Protection Program (PPP) loans, we are writing to urge you to include in any upcoming state legislation language that will mirror this guidance.

BGW CPA believes that denying this deduction is contrary to the original intent of the PPP -- to provide a lifeline to millions of struggling businesses. Borrowers who are eligible for forgiveness of their PPP loans have spent the funds as the program directed. Without a legislative fix, small businesses with forgiven PPP loans or those with a reasonable expectation of forgiveness are facing tax increases that could be devastating to their financial health.

All North/South Carolina businesses have been impacted by the COVID-19 pandemic, and it’s imperative we allow this much-needed deduction. We appreciate your consideration regarding this matter and thank you for your leadership during these very difficult times.

Sincerely,

BGW CPA