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ARE YOU MISSING OUT ON MONEY THAT COULD SAVE YOUR BUSINESS?

Have you heard of these three COVID-19 stimulus/relief funds?

- 1) ERTC funds?
- 2) PPP (Paycheck Protection Program) funds?
- 3) Round 2 PPP Funds?

At Amusement Products we have learned of some particularly important opportunities that FEC owners should be aware of and utilize.

All three funds listed above are available to nearly every small business, including FEC's. If you have not applied for them, you need to learn about them quickly and apply for them. Even if you have applied and received the first round of PPP funds, there have been changes since the first guidelines came out and you should make sure you have taken full advantage of all three funds.

The ERTC- Employee Retention Tax Credit:

In conversations with customers and prospects, we have found that very few are aware of this separate fund that will supply a credit of up to 50% for any employee you paid in a quarter of up to \$10,000 (\$5,000 max per employee) in 2020. In addition, it applies to the first two quarters of 2021 but at 70% of up to \$10,000 per employee (\$14,000 max per employee). This credit applies only to payroll and cannot overlap any payments you use to get forgiveness on PPP funds. So, our accountant encouraged us to maximize the non-payroll related funds the PPP allows for forgiveness (40% of the PPP funds can be used for things like rent, utilities, etc.) so you can apply more funds to the ERTC credit. According to some sources, the second quarter ERTC funds can be sent to you in advance by the IRS to help you cover your payroll. The ERTC funds you will either be approved or not, so they do not have a "pay back."

The first PPP fund:

The first PPP funds were approved by Congressional vote in April 2020. It eventually became two rounds. The first funds were allocated in the first 13 days while the second funds allocated still have funds available. If you did not apply for it, you can still do so, and you should do so immediately. **You have until March 31, 2021.**

Also, if you applied but did not include employee expenses such as health insurance costs, you can go back and apply for the additional funds that you should have requested in the first round of PPP funds. When the first guidelines came out, they were vague. Since that time, there have been at least two amendments that have changed how the funds can be forgiven and what you must do to receive forgiveness.

Lastly, IAAPA presented a 1-hour seminar on the funds with a well-respected expert discussing all three funds. As a final comment he said, **"If you did not get full forgiveness for your PPP funds, you did something wrong!"** In other words, the PPP funds, once forgiven, are tax-free. In fact, you

can still use the same labor expenses for your 2020 tax filing even if you had full payment through the PPP forgiven. This is an unprecedented way to add value to your business without giving any ownership value or paying taxes.

The second round PPP Funds:

In a second Congressional order, a second round of PPP funds has been authorized and you can get up to the same amount that your company received during the first round. It has only a few stipulations:

- 1) All the first round PPP funds your company received have been spent.
- 2) If the first round PPP funds have not been spent, you must show how they will be spent on employees before the second round of PPP funds would be spent.
- 3) You must have less than 300 employees.

All indications today are that Congress will follow a similar route as the first round of PPP funds for forgiveness. While there is no guarantee that these funds will be forgiven, they still have an exceptionally low interest rate. Most indications are that with a few exceptions, the first round will be fully forgiven and at least a good portion of the second round should be forgiven. If the possibility is there that they can be forgiven, we think the tax-free possibilities are well worth the risk.

We hope you find this information useful and encourage you to take advantage of these stimulus/relief funds.

Sincerely,

A handwritten signature in black ink that reads "Dutch Magrath" with a stylized flourish at the end.

Dutch Magrath,
President, Amusement Products LLC

NOTE: Amusement Products LLC and Dutch Magrath cannot be held responsible for whether or not you receive these funds, are forgiven or not forgiven for these funds, or any adverse effects that may happen to you or your business if you receive these funds. The percentages, dollar amounts, and eligibility for the mentioned funds may or may not be correct. Amusement Products and Dutch Magrath do not claim to be experts on these funds. Amusement Products is emailing this form to make its clients aware of the possibility of these funds being available to them. We highly recommend you check with your accountant, CPA, or attorney to make sure you take advantage of the funds that you qualify for correctly.