



CALCULATING PPP LOAN AMOUNTS FOR INDEPENDENT CONTRACTORS AND SELF-EMPLOYED INDIVIDUALS – NO EMPLOYEES THE CARES ACT QUICK TAKES

- The Small Business Administration provided guidance for individuals with self-employment income who file a form 1040 Schedule C in an Interim Rule issued on April 14, 2020.
- **Eligibility Requirements:**
 - In operation on February 15, 2020;
 - *You must submit an invoice, bank statement, or book of record showing this with your application.*
 - Have self-employment income (e.g., independent contractor or sole proprietor);
 - *You must submit a Form 1099-MISC, bank statement, or book of record to show you are self-employed.*
 - Principle place of residence is the United States;
 - Filed or will file a Form 1040 Schedule C for 2019.
 - *You must provide this form with your application, even if you have not yet submitted your 2019 taxes.*
- **Loan Calculation:** To determine maximum loan amount if you have no employees,
 - Take 2019 IRS Form Schedule C line 31 net profit amount (max. \$100,000). Ineligible for loan if amount is zero.
 - Divide by 12 to determine average monthly net profit
 - Multiply by 2.5 to determine maximum loan amount.
 - Add the outstanding amount of any EIDL made between 1/31/20 – 4/3/20, less any EIDL COVID-19 advance.

