



There was not a lot of movement on the Chamber's key legislative priorities this week due to the unusual changeover between the 2021 Regular Session and the 2021 Special Session 1. We did see the details in the House and Senate budgets [which are detailed in a separate document](#).

Deductibility of PPP Expenses (Tax Conformity)

As was described last week, the tax conformity issue is headed to conference. [The Senate unanimously approved](#) a version that allows up to \$100,000 in expenses paid for with PPP while [the House version](#), will only allow deduction of up to \$25,000. Both bills extend this tax treatment to recipients of Rebuild Virginia grants. The Chamber will continue to make the case that the \$100,000 threshold, while not the full deductibility we would prefer, would make a major positive impact on Virginia businesses who took smaller PPP loans.

If you have a PPP loan and expect to deduct expenses paid for with the proceeds from that loan, be sure to contact your representatives and let them know what it means to your business.

Next week promises to be action packed after this lull, so be sure to watch this space on Friday for a full accounting of where are priorities are in the General Assembly.