

116TH CONGRESS
2D SESSION

H. R. 7562

To amend the Internal Revenue Code of 1986 to provide for youth sports, to amend the Small Business Act to establish a loan program for youth sports providers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 9, 2020

Mr. ROSE of New York (for himself, Mr. FITZPATRICK, Mr. GOTTHEIMER, Mr. CISNEROS, Ms. CLARKE of New York, Mrs. DAVIS of California, Ms. NORTON, Mr. GONZALEZ of Texas, Mr. MICHAEL F. DOYLE of Pennsylvania, Ms. SCANLON, Mr. VEASEY, Mr. RASKIN, Ms. SCHAKOWSKY, and Ms. SEWELL of Alabama) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Small Business, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to provide for youth sports, to amend the Small Business Act to establish a loan program for youth sports providers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “COVID–19 Youth
5 Sports and Healthy Working Families Relief Act”.

1 **SEC. 2. MODIFICATION OF CHILD AND DEPENDENT CARE**
2 **TAX CREDIT.**

3 (a) ALLOWANCE OF EXPENSES FOR YOUTH PHYS-
4 ICAL ACTIVITIES.—Section 21(b)(2)(A) of the Internal
5 Revenue Code of 1986 is amended by striking “and” at
6 the end of clause (i), by striking the period at the end
7 of clause (ii) and inserting “, and”, and by inserting after
8 clause (ii) the following:

9 “(iii) expenses for youth physical ac-
10 tivities (within the meaning of section
11 223(d)(5)).”.

12 (b) EXCEPTION TO CAMP RULE.—Section
13 21(b)(2)(A) of such Code (as amended by subsection (a))
14 is amended by striking “Such term” and inserting “Ex-
15 cept as provided by clause (iii), such term”.

16 (c) DOLLAR LIMITATIONS.—Section 221(c) of such
17 Code is amended to read as follows:

18 “(c) DOLLAR LIMIT ON AMOUNT CREDITABLE.—The
19 amount of the employment-related expenses incurred dur-
20 ing any taxable year which may be taken into account
21 under subsection (a) shall not exceed—

22 “(1) if there is 1 qualifying individual with re-
23 spect to the taxpayer for such taxable year, the sum
24 of—

1 “(A) \$3,000 of so much of employment-re-
2 lated expenses as are described in clauses (i)
3 and (ii) of subsection (b)(2)(A), and

4 “(B) \$6,000 of so much of employment-re-
5 lated expenses as are described in clause (iii) of
6 subsection (b)(2)(A), or

7 “(2) if there are 2 or more qualifying individ-
8 uals with respect to the taxpayer for such taxable
9 year, the sum of—

10 “(A) \$6,000 of so much of employment-re-
11 lated expenses as are described in clauses (i)
12 and (ii) of subsection (b)(2)(A), and

13 “(B) \$12,000 of so much of employment-
14 related expenses as are described in clause (iii)
15 of subsection (b)(2)(A).

16 The amounts determined under subparagraphs (A) and
17 (B) of paragraph (1) or (2) (whichever is applicable) shall
18 each be reduced by the aggregate amount for the same
19 categories of expenses excludable from gross income under
20 section 129 for the taxable year.”.

21 (d) REFUNDABLE.—Section 21(e) of such Code is
22 amended by adding at the end the following:

23 “(11) CREDIT REFUNDABLE FOR 2020.—In the
24 case of a taxable year beginning in calendar year
25 2020, the credit allowed under subsection (a) (deter-

1 mined without regard to this paragraph and section
2 26(a)) shall be treated as a credit allowable under
3 subpart C (and not allowed under subsection (a)).”.

4 (e) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to taxable years beginning after
6 December 31, 2019.

7 **SEC. 3. INCREASE IN DOLLAR AMOUNT OF ELECTION FOR**
8 **DEPENDENT CARE FLEXIBLE SPENDING AR-**
9 **RANGEMENTS.**

10 (a) IN GENERAL.—Section 125 of the Internal Rev-
11 enue Code of 1986 is amended by redesignating sub-
12 sections (k) and (l) as subsections (l) and (m) and insert-
13 ing after subsection (j) the following:

14 “(k) LIMITATION ON DEPENDENT CARE FLEXIBLE
15 SPENDING ARRANGEMENTS.—

16 “(1) IN GENERAL.—For purposes of this sec-
17 tion, if a benefit is provided under a cafeteria plan
18 through employer contributions to a dependent care
19 flexible spending arrangement, such benefit shall not
20 be treated as a qualified benefit unless the cafeteria
21 plan provides that an employee may not elect for
22 any taxable year to have salary reduction contribu-
23 tions in excess of \$10,000 made to such arrange-
24 ment for each dependent under such arrangement.

1 “(2) SINGLE PARENT.—In the case that the
2 employee is an individual who is not married as of
3 the beginning of the taxable year for which the em-
4 ployee elects to participate in the arrangement,
5 paragraph (1) shall be applied by substituting
6 ‘\$12,000’ for ‘\$10,000’.”.

7 (b) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to taxable years beginning after
9 December 31, 2019.

10 **SEC. 4. YOUTH AND FAMILY PHYSICAL ACTIVITIES.**

11 (a) IN GENERAL.—Paragraph (1) of section 213(d)
12 of the Internal Revenue Code of 1986 is amended by strik-
13 ing “or” at the end of subparagraph (C), by striking the
14 period at the end of subparagraph (D) and inserting “,
15 or”, and by inserting after subparagraph (D) the following
16 new subparagraph:

17 “(E) for qualified sports and fitness ex-
18 penses.”.

19 (b) QUALIFIED SPORTS AND FITNESS EXPENSES.—
20 Subsection (d) of section 213 of the Internal Revenue
21 Code of 1986 is amended by adding at the end the fol-
22 lowing new paragraph:

23 “(12) QUALIFIED SPORTS AND FITNESS EX-
24 PENSES.—

1 “(A) IN GENERAL.—The term ‘qualified
2 sports and fitness expenses’ means amounts
3 paid exclusively for the sole purpose of partici-
4 pating in a physical activity including—

5 “(i) for membership at a fitness facil-
6 ity,

7 “(ii) for participation or instruction in
8 physical exercise or physical activity, or

9 “(iii) for equipment used in a pro-
10 gram (including a self-directed program) of
11 physical exercise or physical activity.

12 “(B) OVERALL DOLLAR LIMITATION.—The
13 aggregate amount treated as qualified sports
14 and fitness expenses with respect to any tax-
15 payer for any taxable year shall not exceed
16 \$1,000 (\$2,000 in the case of a joint return or
17 a head of household (as defined in section
18 2(b))).

19 “(C) FITNESS FACILITY.—For purposes of
20 subparagraph (A)(i), the term ‘fitness facility’
21 means a facility—

22 “(i) which provides instruction in a
23 program of physical exercise, offers facili-
24 ties for the preservation, maintenance, en-
25 couragement, or development of physical

1 fitness, or serves as the site of such a pro-
2 gram of a State or local government,

3 “(ii) which is not a private club owned
4 and operated by its members,

5 “(iii) which does not offer golf, hunt-
6 ing, sailing, or riding facilities,

7 “(iv) the health or fitness component
8 of which is not incidental to its overall
9 function and purpose, and

10 “(v) which is fully compliant with the
11 State of jurisdiction and Federal anti-dis-
12 crimination laws.

13 “(D) TREATMENT OF EXERCISE VIDEOS,
14 ETC.—Videos, books, and similar materials
15 shall be treated as described in subparagraph
16 (A)(ii) if the content of such materials con-
17 stitutes instruction in a program of physical ex-
18 ercise or physical activity.

19 “(E) LIMITATIONS RELATED TO SPORTS
20 AND FITNESS EQUIPMENT.—Amounts paid for
21 equipment described in subparagraph (A)(iii)
22 shall be treated as qualified sports and fitness
23 expenses only—

1 “(i) if such equipment is utilized ex-
2 clusively for participation in fitness, exer-
3 cise, sport, or other physical activity,

4 “(ii) in the case of amounts paid for
5 apparel or footwear, if such apparel or
6 footwear is of a type that is necessary for,
7 and is not used for any purpose other
8 than, a specific physical activity, and

9 “(iii) in the case of amounts paid for
10 any single item of sports equipment (other
11 than exercise equipment), to the extent
12 such amounts do not exceed \$250.

13 “(F) PROGRAMS WHICH INCLUDE COMPO-
14 NENTS OTHER THAN PHYSICAL EXERCISE AND
15 PHYSICAL ACTIVITY.—Rules similar to the rules
16 of paragraph (6) shall apply in the case of any
17 program that includes physical exercise or phys-
18 ical activity and also other components. For
19 purposes of the preceding sentence, travel and
20 accommodations shall be treated as a separate
21 component.”.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to taxable years beginning after
24 the date of the enactment of this Act.

1 **SEC. 5. YOUTH SPORT PROVIDERS LOAN PROGRAM.**

2 (a) DEFINITIONS.—In this section, the terms “Ad-
3 ministration” and “Administrator” mean the Small Busi-
4 ness Administration and the Administrator thereof, re-
5 spectively.

6 (b) IN GENERAL.—Section 7(a) of the Small Busi-
7 ness Act (15 U.S.C. 636(a)) is amended—

8 (1) in paragraph (2)—

9 (A) in subparagraph (A), in the matter
10 preceding clause (i), by striking “and (F)” and
11 inserting “(F), and (G)”; and

12 (B) by adding at the end the following:

13 “(G) PARTICIPATION IN THE YOUTH
14 SPORTS PROVIDER LOAN PROGRAM.—In an
15 agreement to participate in a loan on a deferred
16 basis under paragraph (37), the participation
17 by the Administration shall be 100 percent.”;
18 and

19 (2) by adding at the end the following:

20 “(37) YOUTH SPORTS PROVIDER LOAN PRO-
21 GRAM.—

22 “(A) DEFINITIONS.—In this paragraph—

23 “(i) the terms ‘appropriate Federal
24 banking agency’ and ‘insured depository
25 institution’ have the meanings given those

1 terms in section 3 of the Federal Deposit
2 Insurance Act (12 U.S.C. 1813);

3 “(ii) the term ‘covered loan’ means a
4 loan made under this paragraph during the
5 covered period;

6 “(iii) the term ‘covered period’ means
7 the period beginning on March 1, 2020,
8 and ending on December 31, 2020;

9 “(iv) the term ‘eligible recipient’
10 means an individual or entity that is a
11 youth sports provider and is eligible to re-
12 ceive a covered loan;

13 “(v) the term ‘eligible self-employed
14 individual’ has the meaning given the term
15 in section 7002(b) of the Families First
16 Coronavirus Response Act (Public Law
17 116–127);

18 “(vi) the term ‘high priority area’
19 means a geographic area for which an eli-
20 gible recipient is a small business concern
21 owned and controlled by socially and eco-
22 nomically disadvantaged individuals, a
23 small business concern owned and con-
24 trolled by women, or a small business con-
25 cern owned and controlled by veterans—

1 “(I) working in or attracting
2 youth participants from low income,
3 underserved, or rural communities
4 (based on ZIP code);

5 “(II) working with populations
6 disproportionately affected by
7 COVID–19 (based on ZIP code); and

8 “(III) working with populations
9 of youth that already have low access
10 to quality sports programs;

11 “(vii) the term ‘insured credit union’
12 has the meaning given the term in section
13 101 of the Federal Credit Union Act (12
14 U.S.C. 1752);

15 “(viii) the term ‘nonprofit organiza-
16 tion’ means an organization that is de-
17 scribed in section 501(c)(3) of the Internal
18 Revenue Code of 1986 and that is exempt
19 from taxation under section 501(a) of such
20 Code;

21 “(ix) the term ‘operating losses’
22 means regular operating expenses accrued
23 since January 1, 2020, through the date of
24 the loan application since January 1, 2020,
25 minus revenue generated over that period;

1 “(x) the term ‘regular operating ex-
2 penses’—

3 “(I) means expenses incurred in
4 the regular operations of business and
5 includes—

6 “(aa) payroll costs (as de-
7 fined in paragraph (36));

8 “(bb) other expenses relat-
9 ing to workforce support, includ-
10 ing 1099–MISC contractors and
11 volunteers, such as contractor
12 fees for services, training, back-
13 ground screenings, or insurance;

14 “(cc) regular or necessary
15 facilities maintenance and up-
16 keep;

17 “(dd) supplies or materials
18 that due to their nature are un-
19 usable at a future date and main-
20 tain only a nominal value;

21 “(ee) overhead expenses for
22 events or programs cancelled due
23 to COVID–19 that are not reim-
24 bursable through insurance or
25 other means, such as nonreim-

1 bursable deposits and cancella-
2 tion fees;
3 “ (ff) rent (including rent
4 under a lease agreement);
5 “ (gg) payments of interest
6 or mandatory principal payment
7 on any mortgage obligation
8 (which shall not include any pre-
9 payment of principal or interest
10 on a mortgage obligation);
11 “ (hh) utilities;
12 “ (ii) interest or mandatory
13 principal payment on any other
14 debt obligations that were in-
15 curred before the covered period
16 (which shall not include any pre-
17 payment of principal or interest
18 on a debt obligation);
19 “ (jj) marketing;
20 “ (kk) insurance; or
21 “ (ll) any other operational
22 expenses, including program fee
23 refunds, costs for referees or
24 sports officials, software and
25 technology, equipment, and sup-

1 plies or materials that due to
2 their nature are unusable at a fu-
3 ture date and maintain only a
4 nominal value; and

5 “(II) does not include—

6 “(aa) expenses permitted to
7 be reimbursed under contract or
8 otherwise reimbursable;

9 “(bb) expenses reimbursable
10 under currently held insurance;
11 or

12 “(cc) any compensation of
13 an employee whose principal
14 place of residence is outside of
15 the United States;

16 “(xi) the term ‘youth sports pro-
17 vider’—

18 “(I) means any entity or organi-
19 zation that has a primary purpose to
20 provide direct sports programming or
21 sports events to youth 18 and under,
22 including—

23 “(aa) sports-based youth de-
24 velopment organizations;

1 “(bb) interscholastic sports
2 programs;

3 “(cc) youth sports providers
4 such as coaches, trainers, and in-
5 structors; and

6 “(dd) youth sport league,
7 camp, or event providers; and

8 “(xii) the term ‘veterans organization’
9 means an organization that is described in
10 section 501(c)(19) of the Internal Revenue
11 Code that is exempt from taxation under
12 section 501(a) of such code.

13 “(B) COVERED LOANS.—

14 “(i) YOUTH SPORTS PROVIDER
15 LOANS.—Except as otherwise provided in
16 this paragraph, the Administrator may
17 guarantee covered loans under the same
18 terms, conditions, and processes as a loan
19 made under this subsection.

20 “(ii) DELEGATED AUTHORITY.—For
21 purposes of making covered loans under
22 this paragraph, a lender approved to make
23 loans under this subsection shall be
24 deemed to have been delegated authority
25 by the Administrator to make and approve

1 covered loans, subject to the provisions of
2 this paragraph.

3 “(iii) ADDITIONAL LENDERS.—The
4 authority to make loans under this para-
5 graph shall be extended to additional lend-
6 ers determined by the Administrator and
7 the Secretary of the Treasury to have the
8 necessary qualifications to process, close,
9 disburse, and service loans made with the
10 guarantee of the Administration.

11 “(iv) REFINANCE.—A loan made
12 under subsection (b)(2) during the period
13 beginning on January 31, 2020, and end-
14 ing on the date on which covered loans are
15 made available may be refinanced as part
16 of a covered loan.

17 “(v) NONRECOURSE.—Notwith-
18 standing the waiver of the personal guar-
19 antee requirement or collateral under sub-
20 paragraph (J), the Administrator shall
21 have no recourse against any individual
22 shareholder, member, or partner of an eli-
23 gible recipient of a covered loan for non-
24 payment of any covered loan, except to the
25 extent that such shareholder, member, or

1 partner uses the covered loan proceeds for
2 a purpose not authorized under clause (ii).

3 “(C) REGISTRATION OF LOANS.—Not later
4 than 15 days after the date on which a loan is
5 made under this paragraph, the Administration
6 shall register the loan using the TIN (as de-
7 fined in section 7701 of the Internal Revenue
8 Code of 1986) assigned to the borrower.

9 “(D) ELIGIBILITY FOR CERTAIN SMALL
10 BUSINESSES AND ORGANIZATIONS.—

11 “(i) IN GENERAL.—During the cov-
12 ered period, any youth sports provider
13 business concern, nonprofit organization,
14 veterans organization, or Tribal business
15 concern described in section 31(b)(2)(C)
16 shall be eligible to receive a covered loan if
17 the youth sports provider concern or orga-
18 nization employs not more than 500 full-
19 time employees. An eligible recipient apply-
20 ing for a covered loan shall make a good
21 faith certification—

22 “(I) that the uncertainty of cur-
23 rent economic conditions makes nec-
24 essary the loan request to support the

1 ongoing operations of the eligible re-
2 cipient;

3 “(II) that the eligible recipient
4 provides direct sports programming or
5 sports events to youth 18 and under;

6 “(III) that the eligible recipient
7 does not have an application pending
8 for a loan under this subsection for
9 the same purpose and duplicative of
10 amounts applied for or received under
11 a covered loan; and

12 “(IV) during the period begin-
13 ning on February 15, 2020, and end-
14 ing on December 31, 2020, that the
15 eligible recipient has not received
16 amounts under this subsection for the
17 same purpose that when added to the
18 applied for loan amount under this
19 program will exceed \$2 million.

20 “(ii) INCLUSION OF SOLE PROPRI-
21 ETORS, INDEPENDENT CONTRACTORS, AND
22 ELIGIBLE SELF-EMPLOYED INDIVID-
23 UALS.—

24 “(I) IN GENERAL.—During the
25 covered period, individuals who oper-

1 ate under a sole proprietorship or as
2 an independent contractor and eligible
3 self-employed individuals shall be eli-
4 gible to receive a covered loan.

5 “(II) DOCUMENTATION.—An eli-
6 gible self-employed individual, inde-
7 pendent contractor, or sole proprietor-
8 ship seeking a covered loan shall sub-
9 mit such documentation as is nec-
10 essary to establish such individual as
11 eligible, including payroll tax filings
12 reported to the Internal Revenue
13 Service, Forms 1099–MISC, and in-
14 come and expenses from the sole pro-
15 prietorship, as determined by the Ad-
16 ministrator and the Secretary.

17 “(iii) PAYROLL PROTECTION PROGRAM
18 ELIGIBILITY.—No youth sports provider
19 that received a covered loan under para-
20 graph (36) shall be deemed ineligible for a
21 covered loan under this paragraph.

22 “(iv) EMPLOYEE.—For purposes of
23 determining whether a youth sports pro-
24 vider business concern, nonprofit organiza-
25 tion, veterans organization, or Tribal busi-

1 ness concern described in section
2 31(b)(2)(C) employs not more than 500
3 employees under clause (i)(I), the term
4 ‘employee’ includes individuals employed
5 on a full-time basis.

6 “(v) AFFILIATION.—The provisions
7 applicable to affiliations under section
8 121.103 of title 13, Code of Federal Regu-
9 lations, or any successor thereto, shall not
10 apply with respect to a nonprofit organiza-
11 tion and a veterans organization in the
12 same manner as with respect to a small
13 business concern.

14 “(E) MAXIMUM LOAN AMOUNT.—

15 “(i) ALLOCATION.—During the cov-
16 ered period, with respect to a covered loan,
17 the maximum loan amount shall not exceed
18 \$2,000,000 and be the greater of—

19 “(I) gross receipts in 2019; or

20 “(II) 85 percent of regular oper-
21 ating expenses accrued since January
22 1, 2020, minus revenue generated
23 over that period.

24 “(ii) DISBURSEMENT.—Priority con-
25 sideration in the loan disbursement shall

1 be given to nonprofits representing youth
2 sports providers serving high priority
3 areas. This consideration may include des-
4 ignating a specific amount of the loan
5 funding allocated to be used exclusively for
6 nonprofit providers serving high priority
7 areas.

8 “(F) ALLOWABLE USES OF COVERED
9 LOANS.—During the covered period, an eligible
10 recipient may use the proceeds of the covered
11 loan for regular operating expenses.

12 “(G) LOAN FORGIVENESS.—

13 “(i)(I) FORGIVENESS.—An eligible re-
14 cipient shall be eligible for forgiveness of
15 indebtedness on a covered loan in an
16 amount equal to percentage forgiveness
17 multiplied by the loan amount.

18 “(II) ELIGIBLE EXPENSES.—Up to 50
19 percent of forgiveness shall be granted for
20 use for the eligible expenses enumerated
21 above.

22 “(III) ADDITIONAL FORGIVENESS.—
23 Additional forgiveness of the remaining 50
24 percent shall be prorated based on the
25 number of youth participants in the pro-

1 gram participating in some capacity (i.e.
2 virtual) by December 2021 (as compared
3 to participation rates over a comparable
4 period in 2019). Criteria shall be developed
5 to define this standard and take into ac-
6 count factors that would limit or reduce
7 participation, such as continuing COVID-
8 19 concerns.

9 “(IV) TREATMENT OF AMOUNTS FOR-
10 GIVEN.—

11 “(aa) IN GENERAL.—Amounts
12 which have been forgiven under this
13 section shall be considered cancelled
14 indebtedness by a lender authorized
15 under section 7(a) of the Small Busi-
16 ness Act (15 U.S.C. 636(a)).

17 “(bb) PURCHASE OF GUARAN-
18 TEES.—For purposes of the purchase
19 of the guarantee for a covered loan by
20 the Administrator, amounts which are
21 forgiven under this section shall be
22 treated in accordance with the proce-
23 dures that are otherwise applicable to
24 a loan guaranteed under section 7(a)

1 of the Small Business Act (15 U.S.C.
2 636(a)).

3 “(cc) REMITTANCE.—Not later
4 than 90 days after the date on which
5 the amount of forgiveness under this
6 section is determined, the Adminis-
7 trator shall remit to the lender an
8 amount equal to the amount of for-
9 giveness, plus any interest accrued
10 through the date of payment.”.

11 (c) APPLICATION.—An eligible recipient seeking
12 loan forgiveness under this section shall submit to
13 the lender that is servicing the covered loan an ap-
14 plication, which shall include—

15 (1) documentation verifying youth under
16 the age of 18 participation numbers during the
17 forgiveness calculation periods;

18 (2) documentation showing expenditures of
19 the covered loan on allowed uses;

20 (3) a certification from a representative of
21 the eligible recipient authorized to make such
22 certifications that—

23 (A) the documentation presented is
24 true and correct; and

1 (B) the amount for which forgiveness
2 is requested was used to provide sports
3 programing and sports events for youth
4 under the age of 18; and

5 (4) any other documentation the Adminis-
6 trator determines necessary.

7 (d) PROHIBITION ON FORGIVENESS WITHOUT
8 DOCUMENTATION.—No eligible recipient shall receive
9 forgiveness under this section without submitting, to
10 the lender that is servicing the covered loan, the doc-
11 umentation required under subsection (f).

12 (e) DECISION.—Not later than 60 days after
13 the date on which a lender receives an application
14 for loan forgiveness under this section from an eligi-
15 ble recipient, the lender shall issue a decision on the
16 application.

17 (f) HOLD HARMLESS.—If a lender has received
18 the documentation required under this section from
19 an eligible recipient attesting that the eligible recipi-
20 ent has accurately verified the payments for payroll
21 costs, payments on covered mortgage obligations,
22 payments on covered lease obligations, or covered
23 utility payments during covered period—

24 (1) an enforcement action may not be
25 taken against the lender under section 47(e) of

1 the Small Business Act (15 U.S.C. 657t(e)) re-
2 relating to loan forgiveness for the payments for
3 payroll costs, payments on covered mortgage
4 obligations, payments on covered lease obliga-
5 tions, or covered utility payments, as the case
6 may be; and

7 (2) the lender shall not be subject to any
8 penalties by the Administrator relating to loan
9 forgiveness for the payments for payroll costs,
10 payments on covered mortgage obligations, pay-
11 ments on covered lease obligations, or covered
12 utility payments, as the case may be.

13 (g) TAXABILITY.—For purposes of the Internal
14 Revenue Code of 1986, any amount which (but for
15 this subsection) would be includible in gross income
16 of the eligible recipient by reason of forgiveness de-
17 scribed in subsection (b) shall be excluded from
18 gross income.

19 (h) RULE OF CONSTRUCTION.—The cancellation
20 of indebtedness on a covered loan under this section
21 shall not otherwise modify the terms and conditions
22 of the covered loan.

23 (i) REGULATIONS.—Not later than 30 days
24 after the date of enactment of this Act, the Adminis-

1 trator shall issue guidance and regulations imple-
2 menting this section.

3 (j) DIRECT APPROPRIATIONS.—There is appro-
4 priated, out of amounts in the Treasury not otherwise ap-
5 propriated, for the fiscal year ending September 30, 2020,
6 to remain available until September 30, 2021, for addi-
7 tional amounts \$8,500,000,000 under the heading “Small
8 Business Administration—Business Loans Program Ac-
9 count, CARES Act” for the cost of guaranteed loans as
10 authorized under paragraph (37) of section 7(a) of the
11 Small Business Act (15 U.S.C. 636(a)), as added by sec-
12 tion 5 of this Act.

13 (k) EMERGENCY RULEMAKING AUTHORITY.—Not
14 later than 15 days after the date of enactment of this Act,
15 the Administrator shall issue regulations to carry out this
16 title and the amendments made by this title without re-
17 gard to the notice requirements under section 553(b) of
18 title 5, United States Code.

19 (l) LOAN EDUCATION.—

20 (1) The SBA shall have authority to provide
21 additional financial awards to resource partners
22 (Small Business Development Centers, Women’s
23 Business Centers) to provide counseling, training,
24 and education to youth sports providers on use of
25 loans.

1 (2) The SBA or Treasury shall provide non-
2 profits representing youth sports providers serving
3 high priority areas with grants to establish a train-
4 ing program on accessing resources under the pro-
5 gram, and general financial management.

6 (m) FEE WAIVER.—During the covered period, with
7 respect to a covered loan—

8 (1) in lieu of the fee otherwise applicable under
9 paragraph (23)(A), the Administrator shall collect
10 no fee; and

11 (2) in lieu of the fee otherwise applicable under
12 paragraph (18)(A), the Administrator shall collect
13 no fee.

14 (n) INTEREST RATE REQUIREMENTS.—A covered
15 loan shall bear an interest rate—

16 (1) for the first two years, and shall be no
17 greater than 4 percent;

18 (2) for years 3 through 7, and shall have Appli-
19 cable Federal Rate (AFR) plus 250–450 base points
20 (bps) as determined by the Administrator based on
21 revenue decline.

22 (o) LOAN DEFERMENT.—

23 (1) DEFINITION OF IMPACTED BORROWER.—In
24 this section, the term “impacted borrower” means
25 an eligible recipient that—

1 (A) is in operation on February 15, 2020;

2 and

3 (B) has an application for a covered loan

4 that is approved or pending approval on or

5 after the date of enactment of this section.

6 (2) PRESUMPTION.—For purposes of this sub-

7 section, an impacted borrower is presumed to have

8 been adversely impacted by COVID–19.

○