

**UPPER MORELAND TOWNSHIP
MONTGOMERY COUNTY, PENNSYLVANIA**

RESOLUTION NO. R-2021-21

A RESOLUTION OF THE UPPER MORELAND TOWNSHIP, MONTGOMERY COUNTY, PENNSYLVANIA BOARD OF COMMISSIONERS APPROVING THE INTERPRETATION THAT PAYCHECK PROTECTION PROGRAM LOANS ISSUED IN 2020 AND 2021 PURSUANT TO THE CARES ACT AS A RESULT OF COVID-19 SHALL NOT CONSTITUTE GROSS RECEIPTS FOR THE PURPOSES OF THE UPPER MORELAND TOWNSHIP MERCANTILE AND BUSINESS PRIVILEGE TAX FOR TAX YEARS 2020 AND 2021.

WHEREAS, on March 6, 2020, Governor Tom Wolf issued a Proclamation of Disaster Emergency in the Commonwealth of Pennsylvania as a result of a novel coronavirus (“COVID-19”) and issued five subsequent 90-day renewals of the same; and

WHEREAS, on March 17, 2020, the President of the Upper Moreland Township Board of Commissioners issued a Proclamation of Disaster Emergency pursuant to the provisions of Section 7501(b) of the Pennsylvania Emergency Management Services Code, 35 Pa. C.S. 7101, et seq., and issued four subsequent 90-day renewals of the same; and

WHEREAS, on March 27, 2020, the Federal Government enacted the Coronavirus Aid, Relief and Economic Security Act (“CARES”) which, in part, authorized the distribution of loans in 2020 to small business to cover payroll and certain other eligible expenses under the Paycheck Protection Program (“PPP Loans”); and

WHEREAS, several businesses within Upper Moreland Township are recipients of PPP loan monies; and

WHEREAS, the Federal Government has taken action to exempt as taxable income for federal tax purposes PPP loans which have been granted loan forgiveness; and

WHEREAS, the Pennsylvania Legislature has passed Act 1 of 2021 which was enacted, in part, to conform the Pennsylvania Income Tax (“PIT”) to the federal treatment of PPP loan forgiveness, specifically, that PPP loans used to pay business expenses during the pandemic that are subsequently forgiven by the lender are not considered taxable income for PIT purposes; and

WHEREAS, the Township recognizes that COVID-19 has created unprecedented hardship on businesses and desires to help mitigate the effects of the crisis by also taking action to exempt forgiveness of PPP loans as gross receipts for purposes of the Upper Moreland Township Business Privilege and Mercantile Taxes (“BPT”).

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Upper Moreland Township this 12th day of July, 2021, that:


For purposes of Upper Moreland Township's Business Privilege and Mercantile Taxes for tax years 2020 and 2021, PPP loans that were issued in 2020 and 2021 pursuant to the CARES Act and that have been granted loan forgiveness shall not constitute "gross receipts" as defined in and applied to the Township's Business Privilege and Mercantile Taxes. Any taxpayer, who has filed a return for the 2020 or 2021 tax year in which such forgiven PPP loans were included as "gross receipts," may file for a refund request in accordance with the provisions as set forth in the Township's Tax Ordinances and related regulations. Such refund request shall be processed in accordance with existing procedures and law.

This Resolution shall apply only to PPP loans issued in 2020 and 2021 pursuant to the CARES Act and shall not apply to any other cash, credit, property of any kind or nature received or allocable or attributable to any business or services rendered or commercial or business transactions including any other loan issued with an amount that is forgiven which has and shall continue to constitute "gross receipts" for purposes of local taxation.

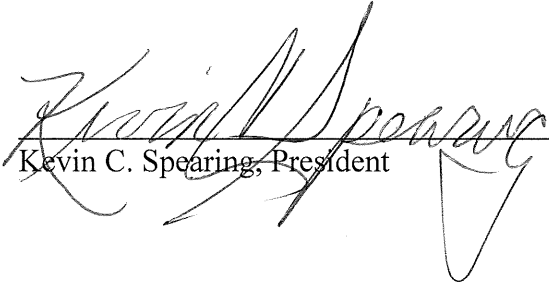
DULY PRESENTED AND ADOPTED by the Board of Commissioners of Upper Moreland Township, Montgomery County, Pennsylvania, this 12th day of July, 2021.

Attest:

**UPPER MORELAND TOWNSHIP
BOARD OF COMMISSIONERS**



Matthew H. Candland, Secretary



Kevin C. Spearing, President