

Business Interruption Grants Available for Hotels and Restaurants



Wednesday, July 8, 2020

DC Council Passes Emergency Legislation to Provide Business Interruption Grants to Hotels

We are pleased to announce that last night, the DC Council passed emergency legislation that would provide financial support to certain businesses to aid in the recovery from the COVID-19 public health emergency. The "Business Support Grants Emergency Amendment Act of 2020," introduced by Councilmembers Kenyan McDuffie and Charles Allen, authorizes the Mayor to award up to ***\$100 million in grants to eligible businesses in the hotel, restaurant, retail, sports and entertainment, or child-care industries.***

To be eligible for the grant, the business must demonstrate that it had a reduction in business revenue due to circumstances resulting from the public health emergency. For businesses opened a year or more, the financial distress must be a 50% or more loss in gross receipts of sales for April, May, and June of 2020 combined compared to the gross receipts reported for the same period in 2019. For businesses opened less than a year, the financial distress shall be compared to the 3-month period preceding the public health emergency. The money awarded could be up to 15% of lost revenue over the 3-month period from April, May, and June of 2020, and not more than the average monthly gross receipts for any single month in 2019, or, for an eligible business opened fewer than 12 months as of the public health emergency, over the 3-month period preceding the public health emergency.

The \$100 million shall be apportioned as follows:

- 38% to restaurants;
- 28% to hotels;
- 14.5% to retail;
- 14.5% to sports and entertainment sectors; and
- 5% to child development centers.

Mayor Bowser will issue rules on the application process for the grants. HAWDC is eager to work with the Mayor on timely distribution of the rules, and will update members accordingly.

HAWDC understands that these are unprecedented circumstances and hope that these funds, while not a panacea, will help in your recovery efforts. We thank you for sharing data regarding your operations to help inform lawmakers of our industry's needs. We thank Councilmember McDuffie and the entire District Council for their work on this important piece of legislation.

DC Council Votes on Fiscal Year 2021 Budget & Financial Plan

Yesterday, the DC Council held its first vote on its Fiscal Year 2021 Budget & Financial Plan. As part of the process, it has voted to pass the following revenue generating proposals:

- Imposition of a 3% tax on the sale of advertisement.
- Imposition of a 3% tax on the sale of personal information.
- Increase the franchise tax rate for the first 5 years to 3% for companies currently receiving the QHTC tax exemption.
- Extend the tax exemption delay on capital gains from the sale of an investment in a QHTC to January 1, 2025.
- Increase the vehicular gas tax to \$0.338 per gallon.
- Delay the combined reporting tax relief to fiscal year 2025.
- Lower the estate tax threshold, increasing the number of tax payers subject to paying the tax.

As the budget continues to work its way through the legislative process, HAWDC will update members accordingly.

Regards,
Lisa

Lisa Abrams
Vice President of Government Affairs
Hotel Association of Washington, D.C.
1225 New York Avenue, NW Suite 250
Washington, DC 20005
(202) 289-4448 Direct
(202) 289-8869 Fax

