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HOUSE-PASSED BILL MAKINGNEEDED IMPROVEMENTS TO PAYCHECK PROTECTION PROGRAM WILL ALLOW CONSTRUCTION FIRMS TO SAVE MORE JOBS

Construction Official UrgesSenate and White House to Quickly Pass and Sign Into Law the Paycheck Protection Program Flexibility Act, Noting the Measure Provides Greater Relief to Hard-Hit Industry

The chief executive officer of the Associated General Contractors of America, Stephen E. Sandherr, issued the following statement in reaction to the passage in the House of Representatives today of the Paycheck Protection Program Flexibility Act of 2020:

“Members of the House appreciate that one ofthe best ways to protect the economy from further harm is to make needed improvements to the federal Paycheck Protection Program. While the loans have helped prevent countless construction layoffs during the past several weeks, their benefits have been limited by several problems that have become apparent since the original program was crafted. These problems include the fact the loans are only supposed to cover an eight-week period, set an unrealistic formula of payroll versus other legitimate expenses and are supposed to mature in two years.

“The House-passed measure corrects many of the problems withthe original Paycheck Protection Program by extending the coverage period to 24 weeks, revising the eligibility formula to 60 percent payroll costs and 40 percent non-payroll, extending the maturity period for the loans from two years to five, and allowing loan recipients to defer payroll taxes through the end of 2020. Combined, these improvements will save construction jobs and provide greater relief for many construction firms struggling to survive the COVID-19 pandemic and related economic lockdowns.

“Moving forward, we urge the Senate to quickly pass this vital economic relief measure and the Trump administration to rapidly sign it into law. Any additional delay in improving the Paycheck Protection Program will result in needless new job losses and additional financial hardships for many small, family-owned construction firms.”

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