

## CARES Act: Additional Guidance on Interplay Between PPP Loans and Employee Retention Tax Credit

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Under the CARES Act, employers who receive a Paycheck Protection Program ("**PPP**") loan are ineligible to claim the employee retention tax credit. On May 6, 2020, the Small Business Administration ("**SBA**") updated its FAQs on PPP loans to address situations when an employer received a PPP loan but now decides to repay it by the safe harbor deadline of May 14, 2020. Specifically, new Q/A-45 states that if such an employer repays its PPP loan by May 14, 2020, the employer will be eligible to claim the employee retention tax credit, provided the employer meets the other requirements to claim that credit. The SBA FAQs are available [here](#).