

116TH CONGRESS  
2D SESSION

# S. 4489

To appropriately limit forgiveness of loans under the paycheck protection program and to clarify that records in the possession, custody, or control of the Federal Government relating to borrowers and loans under the paycheck protection program are subject to disclosure in accordance with applicable law.

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## IN THE SENATE OF THE UNITED STATES

AUGUST 6, 2020

Mr. JOHNSON introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

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## A BILL

To appropriately limit forgiveness of loans under the paycheck protection program and to clarify that records in the possession, custody, or control of the Federal Government relating to borrowers and loans under the paycheck protection program are subject to disclosure in accordance with applicable law.

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 “Paycheck Protection  
5 Program Integrity Act of 2020”.

1 **SEC. 2. FORGIVENESS AND DISCLOSURE.**

2 (a) REDUCTION OF FORGIVENESS BASED ON AFTER-  
3 TAX INCOME AND INCREASES IN NET ASSETS.—

4 (1) IN GENERAL.—Section 1106(d) of the  
5 CARES Act (15 U.S.C. 9005(d)) is amended—

6 (A) by redesignating paragraph (8) as  
7 paragraph (10); and

8 (B) by inserting after paragraph (7) the  
9 following:

10 “(8) REDUCTION RELATING TO AFTER-TAX IN-  
11 COME.—The amount of loan forgiveness under this  
12 section shall be reduced by the amount of after-tax  
13 income of the eligible recipient for the first taxable  
14 year ending after the date of issuance of the covered  
15 loan, up to the amount of the covered loan amount.

16 “(9) REDUCTION RELATING TO INCREASE IN  
17 NET ASSETS OF NONPROFIT ORGANIZATIONS.—For  
18 an eligible recipient that is a nonprofit organization,  
19 the amount of loan forgiveness under this section  
20 shall be reduced by the amount of the increase, if  
21 any, in the net assets of the eligible recipient during  
22 the 1-year period beginning on the date of issuance  
23 of the covered loan, up to the amount of the covered  
24 loan amount.”.

25 (2) DOCUMENTATION.—Section 1106(e) of the  
26 CARES Act (15 U.S.C. 9005(e)) is amended—

1 (A) in paragraph (3), by striking “and” at  
2 the end;

3 (B) by redesignating paragraph (4) as  
4 paragraph (5); and

5 (C) by inserting after paragraph (3) the  
6 following:

7 “(4) documentation verifying after-tax income  
8 and net assets for purposes of paragraphs (8) and  
9 (9) of subsection (d), including tax filings reported  
10 to the Internal Revenue Service; and”.

11 (3) APPLICATION.—The amendments made by  
12 paragraphs (1) and (2) shall apply to any loan made  
13 under section 7(a)(36) of the Small Business Act  
14 (15 U.S.C. 636(a)(36)) on or after the date of en-  
15 actment of this Act.

16 (b) DISCLOSURE OF INFORMATION.—Section  
17 7(a)(36) of the Small Business Act (15 U.S.C.  
18 636(a)(36)) is amended by adding at the end the fol-  
19 lowing:

20 “(T) DISCLOSURE OF INFORMATION.—  
21 Nothing in this paragraph shall be construed to  
22 limit or modify the duty or authority to disclose  
23 a record in the possession, custody, or control  
24 of the Federal Government that relates to an  
25 eligible recipient that receives a covered loan or

1 to such covered loan (without regard to the  
2 amount of the covered loan, the number of em-  
3 ployees of the eligible recipient, or other fac-  
4 tors)—

5 “(i) to the public in accordance with  
6 section 552 of title 5, United States Code  
7 (commonly known as the “Freedom of In-  
8 formation Act”);

9 “(ii) to the Commissioner of Internal  
10 Revenue, the inspector general of an agen-  
11 cy, the Pandemic Recovery Accountability  
12 Committee, a committee or member of  
13 Congress, or another officer or employee of  
14 the Federal Government in accordance  
15 with applicable law; or

16 “(iii) to another person or entity in  
17 accordance with applicable law.”.

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