

PUBLICATION

Spotlight on Alabama: Alabama Announces \$100 Million Small Business Grant Program

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On July 8, 2020, Governor Ivey announced the launch of "Revive Alabama," a new \$100 million grant program to assist small businesses in Alabama affected by the ongoing coronavirus pandemic. The grant program is funded from amounts received by the state from the federal CARES Act.

Qualifying small businesses may receive a grant of up to \$15,000 to reimburse business interruption expenses incurred as a result of the pandemic which have not been reimbursed under any federal pandemic relief measures (such as the Paycheck Protection Program (PPP)). The funds paid out of the program are grants and not loans, so qualifying small businesses will not be required to repay the amounts received under the program, unless it is determined that information contained in their grant applications was false, fraudulent, or materially misleading.

To qualify for a grant, small businesses must satisfy the following criteria:

must be a resident of Alabama, which in the case of a business entity means the entity must be based or headquartered in Alabama;

must have been fully operational as of March 1, 2020 and must continue to be operational as of the date of filing its application;

must not have had more than 19 full-time equivalent employees as of March 1, 2020;

must not be a subsidiary of or owned by a business with more than 50 full-time equivalent employees, or part of a larger business enterprise with more than 50-full time equivalent employees;

must be in good standing with the Alabama Department of Revenue as of March 1, 2020, and must have satisfied certain tax filing requirements in the State of Alabama;

must have had less than an average of \$5 million in gross revenue in each of the past two years;

must have incurred eligible business expenses due to the interruption of business as a result of the Pandemic, such as mortgage interest, rent, payroll (including earnings from self-employment), and utilities, up to the amount requested in the grant application (Reimbursable Expenses);

must not have received a federal PPP Loan, Economic Injury Disaster Loan, or Pandemic Unemployment Assistance (PUA), or, if the small business did receive such assistance, it must have incurred reimbursable expenses up to the amount requested in the grant application that were not covered with funds received from such programs; and

must not (a) exist for the purposes of advancing a partisan political agenda, (b) directly lobby federal or state officials, or (c) have employed or otherwise worked with a lobbyist at any point during 2020.

Qualifying small businesses may apply for a grant through their My Alabama Taxes (MAT) account on the Alabama Department of Revenue website. Grants will be awarded on a first-come, first-served basis, until the funds are exhausted. The application period will begin at noon on July 16, 2020 and run through midnight on July 25, 2020.

While qualifying small businesses will not be required to document or report how they use grant funds received through the program, as part of the grant application, they will be required to verify that they will not use the grant funds for any of the following purposes: (i) reimbursement for costs of damages covered by insurance, (ii) expenses that have been or will be reimbursed under federal programs such as the PPP, (iii) reimbursement to donors for donated items or services, (iv) workforce bonuses other than hazard pay or overtime, (v) severance pay, or (vi) legal settlements.

Please remember that advice and counsel regarding your particular legal issues, including the potential impact of the developments outlined above, are dependent on your specific facts and circumstances. For more information about how these issues may affect you, or related matters, contact [Allen Blow](#), [Ross Cohen](#), or [Tom Mahoney](#) in our Birmingham office, or any member of the Firm's Tax Group. For the latest information on the coronavirus pandemic go to our [Coronavirus \(COVID-19\): Navigating the Path](#) page on our website.