

## Tax Treatment by Funding Source

FUNDING SOURCE	TAX TREATMENT REVENUE	TAX TREATMENT DEDUCTIONS	
		Federal	Virginia State
<b>2021 Virginia Child Care Stabilization Grant (formerly referred to as CARES Grants)</b>	Included Taxable	Expenses are deductible	Expenses are deductible
<b>Rebuild Virginia Grants</b>	Included Taxable	Expenses are deductible	May claim a maximum deduction of \$100,000 in expenses
<b>Paycheck Protection Program (PPP)</b>	Not included Not taxable	Expenses are deductible	May claim a maximum deduction of \$100,000 in expenses
<b>Employee Retention Tax Credit (ERTC)</b>	Not included Not taxable	Expenses are deductible but must be reduced by the amount of the credit received	Expenses are deductible but must be reduced by the amount of the credit received
<b>Families First Coronavirus Response Act (FFCRA)</b>	Not included Not taxable	Expenses are deductible but must be reduced by the amount of the credit received	Expenses are deductible but must be reduced by the amount of the credit received
<b>Economic Injury Disaster Loans (EIDL) &amp; Other Small Business Administration (SBA) Loans</b>	Not included Not taxable	EIDL Advance (Grant): <ul style="list-style-type: none"> <li>Expenses are deductible</li> </ul>	EIDL Advance (Grant): <ul style="list-style-type: none"> <li>Expenses are <b>not</b> deductible</li> </ul>
		EIDL Loan & SBA Loans: <ul style="list-style-type: none"> <li>Expenses are deductible</li> <li>Debt is not deductible</li> <li>May deduct interest payments including interest payments and fees</li> </ul>	EIDL Loan & SBA Loans: <ul style="list-style-type: none"> <li>Expenses are <b>not</b> deductible</li> <li>Debt is not deductible</li> <li>May deduct interest payments including interest payments and fees</li> </ul>
<b>All other stimulus programs</b>	Included and taxable	Expenses are deductible	Expenses are deductible