



Interim Final Rule Clarifies Treatment of 1099 Contractors for the Paycheck Protection Program

The Interim Final Rule for the Paycheck Protection Program includes clarification about whether 1099 contractors can be used in determining payroll costs. The rule specifies that independent contractors may not be included in the loan calculation.

“Do independent contractors count as employees for purposes of PPP loan calculations? No, independent contractors have the ability to apply for a PPP loan on their own so they do not count for purposes of a borrower’s PPP loan calculation.”

The Interim Final Rule Link:

<https://content.sba.gov/sites/default/files/2020-04/PPP--IFRN%20FINAL.pdf>

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