

For Immediate Release
Contact: Kym Conis
kconis@amba.org

December 7, 2020

Mold Builders Call on Congress to Allow Deduction of Paycheck Protection Program Expenses

On December 3, 2020, the American Mold Builders Association (AMBA) joined over 500 national and state organizations calling on Congress to pass legislation clarifying that recipients of Paycheck Protection Program (PPP) loans may deduct approved expenses if the Small Business Administration forgives their loan. Despite congressional intent and repeated statements from leading lawmakers, the IRS continues to disallow the deduction - a surprise tax increase of up to 37 percent on some PPP borrowers.

“Congress needs to take action now, remove the uncertainty manufacturers face and pass legislation directing the IRS to comply with the CARES Act,” said AMBA Managing Director Kym Conis. “Approximately seventy-five percent of AMBA members received a PPP loan. Unfortunately, a year-end tax surprise that overrides congressional intent will worsen the financial situation of countless manufacturers,” added Conis.

“The goal of the PPP was to provide stability for America’s employers, which used the loan funds to prevent millions of layoffs. Because most of our manufacturers are designated to be essential critical infrastructure (with many being part of the medical supply chain and coronavirus response efforts), our members need to use their resources and available funds for payroll and continuing operations - not sending them to Washington because of a misguided IRS ruling.

These manufacturers need to use their resources and available funds for payroll and continuing operations, not sending it to Washington because of a misguided IRS ruling,” Conis added.

In April, the IRS issued Notice 2020-32, disallowing those who have their PPP loans forgiven from deducting approved expenses as intended by Congress. In November, the IRS went even further, stating that borrowers who expected to have their loans forgiven in the future may not deduct the expenses in 2020.

Reversal of the IRS position has the support of the top two Senate tax writers, a large bipartisan number in both chambers of Congress and an overwhelming number of trade groups in Washington and across the country. On December 3, 2020, the AMBA joined a total of 564 total groups (229 National and 335 Regional/State Affiliates) in calling on Congress to pass legislation correcting this error and permitting borrowers whose PPP loans are forgiven to deduct expenses. The letter to Congress can be found [here](#).

###

Established in 1973, the American Mold Builders Association (AMBA) is the largest grassroots organization in the United States dedicated solely to the mold manufacturing industry. As a national non-profit trade association serving over 200 member companies and over 50 partner companies (supplier members), AMBA provides its members with access to the most powerful networking in the industry.