

Advocacy Update

By Robert Broome, CAE

Advocacy is the mechanism by which we change “the way things are” into “the way things should be.” NCACPA members engage in advocacy to benefit the profession and the clients we serve in many ways and with notable success.

For timely and specific updates on our advocacy efforts, visit www.ncacpa.org/advocacy.

There is no better example of NCACPA members making a public policy impact in 2020 than the passage last December of H.R. 133, the Consolidated Appropriations Act, 2021. NCACPA joined with AICPA and other state CPA societies to successfully lobby Congress to ensure tax deductibility for business expenses associated with forgiven Paycheck Protection Program (PPP) loans. The IRS had previously declared such deductions would be disallowed.

More than 1,000 members and their clients used our online grassroots action platform to generate emails to Congress in support of PPP expense deductibility. Thank you to everyone who took action and made this win possible!

As we prepare for the new session of the NC General Assembly, we will build on our momentum and advance an ambitious legislative agenda in 2021. Our priorities were developed by our Advocacy Advisory Council with input from our Taxation Committee. They include:

- Creating an automatic extension for state tax filing and payment deadlines when a federal extension occurs.
- Reducing the 10% late payment penalty.
- Correcting issues with bonus and Section 179 depreciation provisions.
- Resolving unintended consequences of decoupling from the federal CARES Act.

Member participation is essential. Do you have a personal or professional relationship with a state or federal lawmaker? We need you to become part of our Key Person Program that identifies and leverages those relationships to advance our legislative priorities.

If you would like to know more about how you can have direct involvement and impact in our advocacy efforts, please contact NCACPA Director of Advocacy Robert Broome at rbroome@ncacpa.org.

H.R. 133, the Consolidated Appropriations Act, 2021, clarifies that deductions are allowed for otherwise deductible expenses paid with the proceeds of a PPP loan that is forgiven, and that the tax basis and other attributes of the borrower's assets will not be reduced as a result of the loan forgiveness.

The legislation contained numerous other provisions important to the profession, including \$284 million to fund Second Draw PPP loans. Deductibility will also apply to eligible expenses associated with Second Draw PPP loans.