

Locke Lord QuickStudy: Massachusetts Announces Relief for Businesses Hit Hardest by COVID

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Massachusetts businesses that have been the hardest hit by the COVID-19 pandemic will be able to apply for up to \$75,000 in relief from the Commonwealth beginning at noon on December 31, 2020.

Charlie Baker's administration announced that it had made an additional \$668 million available to support Massachusetts businesses, and that the Massachusetts Growth Capital Corporation ("MGCC") will help funnel a portion of these funds to sectors that have severely impacted by the pandemic through the Sector-specific Relief Grant Program for Massachusetts Businesses. The funds, which will be in the form of grants, are designed to reimburse the recipients up to three months of their operating expenses for 2020 with a cap of \$75,000.

"During this unprecedented public health emergency, the Baker-Polito Administration is continuing to invest significant resources to support recovery and growth initiatives for small businesses and Main Streets across Massachusetts," said Secretary of Administration and Finance Michael J. Heffernan.

Certain sectors will be given priority in the award of grants. These sectors are:

- Restaurants, bars, caterers and food trucks;
- Indoor recreation and entertainment establishments (such as movie theaters, comedy clubs, arcades and bowling alleys);
- Gyms and fitness centers;
- Personal services establishments (such as nail salons and barber shops);
- Event support companies whose primary source (greater than 50%) of revenue is event related (such as photography studios, florists and event planning companies); and
- Independent retailers with brick and mortar locations that collect and remit sales tax.

In order to be eligible for the grants, businesses must have a physical establishment in Massachusetts; must be based in Massachusetts; must have been established prior to June 30, 2019; must be currently in operation or must have an intent to reopen; and must be in good standing with the state and municipality in which they are located, among other requirements.

The MGCC has stated that businesses should not apply for the grants if they are not showing an operating loss due to the pandemic; they have access to other relief; they have been able to operate without significant financial difficulties; or they have adequate reserves available. In addition, certain types of businesses are ineligible for the

grants including real estate businesses, ?chains, liquor stores and cannabis-related businesses.?

The applications – which will be accepted through 11:59 p.m. on January 15, 2021 – must be ?supported by documentation including a complete copy of the business’s 2019 federal tax return; ?a complete copy of each owner’s personal 2019 tax return; a Certificate of Good Standing from ?the Massachusetts Secretary of State (if applicable); and a copy of the business owner’s photo ?identification.?

Applications will only be accepted through the MGCC’s online portal, which is located [here](#).

Small businesses who have questions about this vital relief program should consider speaking ?with a Massachusetts business attorney to help them navigate the application process and assist ?with their rebound from the pandemic.?

Please visit our [Adapt. Adjust. Advance. Resource Center](#) often for up-to-date information on ?navigating these and other important legal considerations in the post-pandemic reality.?