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## **S.F. No. 3090 – Conforming to federal treatment of restaurant revitalization grants**

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The American Rescue Plan (ARP) Act, enacted in March 2021, authorized grants for restaurants, food stands, food trucks, food carts, caterers, saloons, inns, taverns, bars, lounges, brewpubs, tasting rooms, taprooms, licensed facilities or premises of a beverage alcohol producer where the public may taste, sample, or purchase products, or any other similar place of business in which the public or patrons assemble for the primary purpose of being served food or drink.

State or local government-operated businesses; restaurant chains that, together with affiliated businesses, owned or operate more than 20 locations as of March 13, 2020; restaurants that had a pending application for or have received a grant for shuttered venue operators; and publicly traded companies were not eligible for grants.

Grants were calculated based on the difference between 2020 and 2019 gross receipts, reduced by PPP loans received. Special provisions were applied to businesses that started in 2019 or 2020 in calculating their eligibility amount. Grant funds could be used for qualified expenditures related to operations of the business from February 15, 2020, to December 31, 2021, including payroll, mortgage and rent (excluding pre-payments), utilities, maintenance expenses, supplies, and operational expenses.

The ARP excluded restaurant revitalization grants from federal gross income. This bill would conform to the federal treatment, so that the grants would also be excluded for purposes of calculating Minnesota taxable income.

Effective retroactively to the same date as the federal provision.