

# TOURISM, HOSPITALITY & RETAIL RECOVERY GRANT

## Frequently Asked Questions (FAQ's) 12/02/20

### ELIGIBILITY

#### Who is Eligible for this program?

- Tourism, hospitality & retail customer facing Eligible businesses and organizations with NAICS codes in the following industry classifications:
  - Accommodation and Food Services 721-723
  - Retail Trade 441-453
  - Arts, Entertainment and Recreation 711-713
  - Breweries, Wineries & Distilleries 312
- Be a customer facing service business or organization highly impacted by the COVID-19 restrictions, including restaurants, bars and taverns, tasting rooms, lodging, and/or retail establishments, that has experienced a 20% or greater loss in gross sales as reported to Maine Revenue Services on Sales Tax Returns comparing March 2019 through September 2019 to March 2020 through September 2020 for monthly filers, and April 2019 through September 2019 to April 2020 through September 2020 for quarterly filers;
- Annual gross sales must be between \$24,000 and \$12MM;
- Have a Maine sales and use tax account with Maine Revenue Service;
- Be headquartered in Maine (as registered with the Maine Secretary of State Office);
- Be current and in good standing with all Maine State payroll taxes, sales taxes, and state income taxes (as applicable) through September 30, 2020;
- Be in good standing with the Maine Department of Labor;
- Not be in bankruptcy;
- Not have permanently ceased all operations;
- Be in consistent compliance and not be under any current or past enforcement action with COVID-19 Prevention Checklist Requirements (<https://www.maine.gov/decd/covid-19-prevention-checklists>)

### AFFILIATED ENTITIES

#### I have several businesses in Maine. Can I file more than one application?

Only one application will be accepted per group of affiliated entities. Please coordinate with other affiliated entities prior to submitting the application. Affiliated entities will need to provide all sales tax registration numbers and corresponding business names of the affiliated entity.

For the purposes of the Maine Tourism, Hospitality & Retail Recovery Grant, your business/organization is considered affiliated with any other business/organization that:

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1. Has the same Federal Taxpayer Identification Number (including Social Security Number)
2. Has the same corporate parent or grandparent
3. Is majority owned (more than 50%) by the same owner or group of owners

Eligibility as outlined applies to the affiliated entities single application:

- Gross sales must be between \$24,000 and \$12MM annually;
- Experienced a 20% or greater loss in gross sales as reported on Sales Tax Returns -March 2019 through September 2019 to March 2020 through September 2020.

If you have submitted more than one application, you should notify the Maine Tourism, Hospitality & Retail Recovery Grant Program at [BizAwards.DECD@maine.gov](mailto:BizAwards.DECD@maine.gov)

**Why is there a cap of \$12 million annually?** This program is intended to help sustain the viability of Maine's small, high-touch businesses and organizations, and provide funds for short-term relief designed to those who may not have accessed other programs.

### **Are non-profits eligible to apply?**

Non-profits are eligible to apply if they meet all the eligibility criteria.

### **NAICS**

#### **What's a NAICS code and how do I find mine?**

NAICS stands for the North American Industry Classification System, maintained by the United States Census Bureau. The codes provided by the NAICS identify the industry a business is engaged in. The NAICS code is also used when filing your business income tax returns to identify your industry. For information in determining your NAICS code, visit the [Census Bureau's website](#).

**Am I eligible if my business is not in one of the 3 industry classifications?** No, this grant program is specifically targeting customer facing businesses in those identified industry classifications.

**Am I eligible if my business doesn't file sales tax returns?** No, this program is specifically targeting businesses and organizations that are customer facing service establishments and have taxable sales of food, liquor, lodging and retail goods.

**Is there any way to demonstrate business disruption and be considered for this grant by providing other types of financial information?** No – this program is based on sales data reported to Maine Revenue Services on Sales & Use Tax Returns.

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**Why is this program based on sales and use tax return data?** This program is designed to quickly get funds to eligible businesses using available and verifiable data that the business has already submitted to the State of Maine allowing for a streamlined application process.

### **SALES TAX INFORMATION**

**What is the difference between gross sales & taxable sales?** Gross sales are total sales reported on Line 1 of the sales tax return. Line 1 - Gross Sales. Enter the total amount of ALL sales and services, including sales for resale and all other exempt sales. Taxable sales are those sales on which you collected sales tax. The difference is sales that are exempt from sales tax. Exempt Sales. Enter the total amount of sales on which no tax was charged. Include in this line items sold with a valid resale certificate, wholesale sales, items sold to a consignment shop or group shop, services that were not taxable, items sold to entities that hold a valid Permanent Exemption Certificate issued by Maine Revenue Services, or customer refunds that were reported as sales in previous periods.

See Sales Tax Form & instructions -

<https://www.maine.gov/revenue/sites/maine.gov.revenue/files/inline-files/SalesLongandinstructionsfillable062020.pdf>

### **How do I find my sales tax registration number?**

Your registration number is a 7-digit number and can be found on your retailer or resale certificate, as well as in the welcome portfolio you received when you opened your account. Your registration number can also be found in your filing reminder email.

<https://www.maine.gov/revenue/faq/sales-use-service-provider-tax>

### **How do I find my business code?**

Your business code is a 3-digit number that can be found on your retailer certificate, or in the welcome portfolio you received when you opened your account.

**Am I eligible if I only sell directly to customers online?** Not if you are strictly an online retailer. You must also have a physical location that serves customers/guests.

### **If I submit amended returns will that data be available for this grant?**

Due to the timing of this grant, amended filings will not be processed in time to capture the amended gross sales data.

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### **What if I haven't filed all my returns for the months/quarters identified?**

In order to be eligible, a business/organization must be current and in good standing with all Maine State payroll taxes, sales taxes, and state income taxes (as applicable) through September 30, 2020.

### **For quarterly filers why isn't the month of March included?**

If a business is a quarterly filer, there isn't a way to extract monthly data from the quarterly returns, so the earliest quarter that can be considered starts in April. CARES Act fund guidance regarding the requirement that payments from the Fund may only be used to cover costs that were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020

### **What if my business is seasonal (spring/summer)?**

Your sales tax data will be captured in the March to September timeframe.

### **Why are semi-annual and annual sales tax filers ineligible?**

Sales from months that are pre-covid are not eligible for business disruption consideration.

## **AWARD INFORMATION**

### **How will the final amount to qualified applicants be determined?**

Maine Tourism Hospitality & Retail Recovery Grant award amounts will be determined using March through September gross sales as reported on sales tax returns for 2019 compared to March through September 2020 for monthly filers, and April through September gross sales as reported on quarterly sales tax returns for 2019 compared to 2020 for quarterly filers.

From that loss all forgivable Federal funding will be subtracted. The remaining amount will be considered qualified loss. The business will receive their full loss up to \$20,000. If the loss exceeds the maximum grant amount, then the business will only receive the maximum grant amount \$20,000.

All grant amounts are subject to review and adjustment pending applicant volume and magnitude of reported losses. EXAMPLE:

- Business/organization has a 25% loss in gross sales from 2019 to 2020, totaling \$80,000.
- Received \$50,000 in forgivable PPP and \$20,000 from MERG.

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- This award would be \$10,000.  $\$80,000 - (\$50,000 + \$20,000) = \$10,000$

Maximum award is \$20,000 even if qualified loss exceeds that amount.

### **How do federal grants and forgivable loans affect the final award calculation?**

Forgivable Federal funding received will be subtracted from the loss in gross sales. The remaining amount will be considered qualified loss.

### **How will grants be distributed?**

Grants will be distributed by the regional Economic Development Districts (EDDs) through a check sent via the U.S. Postal Service.

### **When will grants be awarded and when can I expect to receive awarded funds?**

Applications will be reviewed and final determinations made on a "rolling basis". If your business/organization is determined to be eligible and selected for a grant, notice of grant amount will be sent out via e-mail throughout the month of December 2020. Awards will be distributed by regional Economic Development Districts (EDDs) once applications are approved and will be sent to eligible recipients via mail to the address provided in your application. **PLEASE BE SURE TO INCLUDE A VALID EMAIL ADDRESS AND BUSINESS MAILING ADDRESS.**

### **If I receive a grant, what can the funds be spent on?**

The Maine Tourism, Hospitality & Retail Grant Program is intended to assist in covering losses incurred as a direct result of the COVID-19 pandemic and related public health response. Businesses/organizations will be liable for any misuse of funds. The grants are subject to audit.

- Suggested business/organization expenses may include but are not limited to:
  - Payroll costs and expenses;
  - Rent or mortgage payments for business facilities (unless otherwise waived by lessor/lender);
  - Utilities payments;
  - Purchase of personal protective equipment required by the business;
  - Business related equipment;
  - Expenses incurred to replenish inventory or other necessary re-opening expenses; and
  - Necessary operating expenses

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- Examples of unallowable expenses include (list is not all-inclusive):
  - Depreciation expense
  - Entertainment
  - Lobbying
  - Goods and Services for Personal Use
  - Fines, Penalties, Damages and other Settlements
- Funds must be spent on operations that are physically located within Maine.

### **If my business/organization receives a grant, is the amount received taxable?**

This grant is considered reportable income; therefore, funding received from this grant must be included with reportable income at tax time. For applicable businesses, a Form 1099 will accompany any awarded grant monies.

### **APPLICATION INFORMATION**

#### **When does the application portal open?**

The application portal opens Thursday, December 3<sup>rd</sup> at 9:00AM

#### **Can I work on the application ahead of the portal opening?**

You can download the pdf of the application to see what information will be required.

#### **Where can I find the application portal on the Maine Tourism, Hospitality & Retail Recovery Grant Program?**

<https://www.maine.gov/decd/economic-recovery-grants>

#### **What is the deadline for applications?**

This program is “**first-come, first-served**” grant program. The Grant Application may be completed and submitted at any time. The portal will close once all funds are committed or on a date when processing time will be insufficient for checks to be cashed by CARES Act deadline of December 28, 2020.

#### **My EIN/SSN is not being displayed in the review section and isn't being saved in the form. Is this an issue?**

The software is designed not to replicate your EIN/SSN for security reasons. If you entered it where asked and moved on to the next page, it was successfully recorded in your application.

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### **Is the information I provide protected?**

The security of your sensitive information is important to us which is why all information is stored securely and only accessible by personnel designated by the Maine Department of Economic and Community Development. All sensitive information, including Personally Identifiable Information (PII) is encrypted at-rest and in-transit throughout the process. Information collected by this system will not be shared or used for any other purposes besides grant selection and distribution except as may be required by Maine's Freedom of Access Act, 1 M.R.S Section 401 et seq. It is likely that some of the information provided will be accessible under Maine's Freedom of Access Act (1 M.R.S. Section 401 et seq.); however, proprietary information, tax or financial information, and PII will not be disclosed. After submitting your application, a confirmation email shall be sent with a copy of the submitted application excluding all sensitive PII.

### **Can I save my application as I work on it, or do I have to complete it in one sitting?**

Applicants should complete the application in one sitting but a PDF version is available on the website so you can preview and prepare your questions ahead of time.

### **How do I submit my application?**

Applications **must** be submitted via the portal.

### **What do I do if I didn't receive a confirmation email after I submitted my application?**

Please check spam/junk email folder and your settings. Confirmation email will be from [noreply@maine.gov](mailto:noreply@maine.gov) with subject line "Maine Tourism, Hospitality & Retail Recovery Grant Program Application Submission"

### **If my business operates in multiple states, how do I know if my principal place of business is in Maine?**

Your principal place of business is identified on your annual report filings with the Maine Secretary of State's Office.

**What is a qualified business interruption?** The business or nonprofit must have suffered business interruption due to COVID-19 required closures, which may include but is not limited to:

- Reduced sales or suspended operations
- Limitations on customer capacity/reduced occupancy
- Increased costs related to COVID-19 prevention measures
- Disrupted supply network leading to shortage of critical inventory or materials

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- Restrictions on visitor origin markets

**What is the definition of “ceased all operations”?** This means that the business/organization is no longer in business/operating in any capacity or location.

### What is a DUNS number?

The Dun & Bradstreet (DUNS) Number is a unique nine-digit identifier for businesses.

If you don't have a DUNS number, you can [get one here](#) or by calling this number: 1-(800)-700-2733.

- Step 1: After clicking link, under How to Register for a DUNS Number select the Visit the Dun & Bradstreet (DE&B) Website
- Step 2: Select Click Here to request for D-U-N-S Number Via the Web
- Step 3: Select United States of America from drop down menu. This is the first selection available. Click Continue.
- Step 4: Enter Business Name, Address and State. Enter Code shown to prove you are not a robot. This is NOT case sensitive, so all lower case is fine.
- Step 5: This will pull up search results, if you don't have a DUNS you will not find your business. Under Search Results select Request a New D-U-N-S Number.
- Step 6: The following page will provide a list of acceptable documents you may provide in order to register for a DUNS Number. You will need TWO of these documents. The documents you submit must match the business name and address. If you do not have two of these documents, please call customer service to see if other acceptable documents can be provided. The two documents must be stored on your computer for upload. Once you have these documents available hit Continue.
- Step 7: Select “Federal Government Contractors or Grantees DUNS Number Support”
- Step 8: Select Create a New DUNS Number
- Step 9: Select For Entities Within the United States
- Step 10: Select Proceed
- Step 11: Enter Company Information
- Step 12: Upload acceptable documents

Once completed, this will create a case code showing you the submission has been accepted. If information is correct, you will receive an email typically within several days with your DUNS Number.

**Where can I find my DUNS number?** <https://www.dnb.com/duns-number/lookup.html>

**What if I applied for a DUNS number for a prior application, do I need to get another one?**

No, you would use the same DUNS number.

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**How do I get a W-9?** A fillable form is available on the IRS website - <https://www.irs.gov/pub/irs-pdf/fw9.pdf>

**If I am having trouble or concerns, who can I reach out to for assistance?**

Please call: 1-800-872-3838 and press 3

Or email: [BizAwards.DECD@maine.gov](mailto:BizAwards.DECD@maine.gov)

- DECD is experiencing a high volume of calls and emails, but we will get back to you as soon as possible.

For Maine State Tax questions please contact the Maine Revenue Service Taxpayer Contact Center:

- Email: [taxpayerassist@maine.gov](mailto:taxpayerassist@maine.gov)
- Phone: 207-624-9784

Or please reach out to your local economic development or non-profit support organization for assistance