

# **Business Recovery Grants: NCDOR Outreach Toolkit**

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Thank you for helping NCDOR spread the word about the Business Recovery Grant Program.

### **Here's how you can help:**

- Include information in employee newsletters and other communications
- Include information in external newsletters and other communications
- Display posters in your offices
- Display posters at outreach events
- Mention the program in speeches
- Email information to employees
- Share on social media

## Important Links

- [NCDOR Business Recovery Grant Website](#)
- [Application](#)
- [Frequently Asked Questions](#)
- [Business Recovery Grant Outreach Page](#)
  - Contains resources such as this toolkit, promotional flyers, and more.

## Videos

- [Business Recovery Grant Program Instructional Video](#)
- [Business Recovery Grant Program Promotional Video](#)

## How to Apply

- **Option I: Apply online doing either of the following:**
  - Fill out application at home by going to <https://www.ncdor.gov/business-recovery-grant>
  - Complete the online application at one of the Department's [service centers](#) by scheduling an appointment on the Department's website.
- **Option II: Submit a Paper Application by doing any of the following:**
  - Drop off an application at one of the Department's [service centers](#).
  - Fax a completed application to 919-715-7843, Attn: Business Recovery Grant Program.
  - Mail a completed application to:
    - NC Department of Revenue, Attn: Business Recovery Grant Program, 514 Daniels St, #409, Raleigh, NC 27605

- The application period ends Monday, January 31<sup>st</sup>, 2022.

## **Helpline**

Should potential applicants have any questions about the program or application, you may call the North Carolina Department of Revenue at 1-877-252-4487 (8:00 am until 4:30 pm EST, Monday through Friday).

Bilingual assistance is available to assist as needed.

## **Outreach Contact**

For inquiries and/or recommendations for outreach events, contact Will Futrell, Strategic Planning and Public Engagement Officer, at [will.futrell@ncdor.gov](mailto:will.futrell@ncdor.gov) or (919) 675-8216.

## **Resources in Spanish**

Resources and promotional material translated into Spanish are forthcoming. Please contact Will Futrell should you require these resources.

## **Sample Text for Social Media**

**#BusinessRecoveryNC**

**Include the link to the Business Recovery Grant Webpage in posts:**

<https://www.ncdor.gov/business-recovery-grant>

GRANT MONEY AVAILABLE: Eligible NC business owners can now apply to receive a BUSINESS RECOVERY GRANT. Go to [ncdor.gov](http://ncdor.gov) to see if you are eligible. Application deadline is Jan. 31, 2022. #BusinessRecoveryNC

Did your NC business suffer losses due to the pandemic? You may be eligible for a BUSINESS RECOVERY GRANT. Go to [ncdor.gov](http://ncdor.gov) to learn more and apply by Jan. 31, 2022. #BusinessRecoveryNC

NC BUSINESS OWNERS - struggling to recoup economic losses due to the pandemic? BUSINESS RECOVERY GRANT money may be available to you. Go to [ncdor.gov](http://ncdor.gov) to learn more and apply by Jan. 31, 2022. #BusinessRecoveryNC

### **Links You Can Share on Social Media**

- NCDOR Main Webpage: [www.ncdor.gov](http://www.ncdor.gov)
- NCDOR Business Recovery Grants Information Center:  
<https://www.ncdor.gov/business-recovery-grant>

# Program Overview

The Business Recovery Grant Program (BRG) will issue a one-time payment to eligible North Carolina businesses that experienced significant economic loss due to COVID-19. The NC Department of Revenue will administer the program.

Two types of grants will be available to eligible businesses that suffered an economic loss of at least 20 percent during the pandemic:

- A hospitality grant will be available to an eligible arts, entertainment, and recreation business, as well as an eligible accommodation or food service business such as a hotel, restaurant, and bar (NAICS codes [71](#) and [72](#)).
- A reimbursement grant will be available to an eligible business not classified in NAICS Code 71 and 72 and that did not receive funding from other relief programs including Paycheck Protection Program, COVID-19 Job Retention Grant, and EIDL Advance.

The application period opens December 16, 2021 and closes January 31, 2022. An eligible business may apply online at [www.ncdor.gov](http://www.ncdor.gov)

## **ADDITIONAL INFORMATION:**

### Hospitality Grant Requirement Overview

- Classified in NAICS code 71 or 72
- Suffered an economic loss of at least 20% (Calculated using gross receipts reported on North Carolina Sales and Use Tax Return and IRS Form 1065)
- Subject to North Carolina income tax

### Reimbursement Grant Requirement Overview

- Not Classified in NAICS code 71 or 72
- Did not receive relief from other relief programs including Paycheck Protection Program, COVID-19 Job Retention Grant, and EIDL Advance
- Suffered an economic loss of at least 20% (Calculated using gross receipts reported on North Carolina Sales and Use Tax Return and IRS Form 1065)
- Subject to North Carolina income tax

The grant amount is a percentage of the economic loss demonstrated by the eligible business or \$500,000, whichever is less. NCDOR will reduce grant amounts if the total amount of grants requested exceed the maximum amount of funds authorized for the BRG by the state of North Carolina.

Grant amounts will be determined at the conclusion of the application period. All payments will be made by check, mailed to the address provided by the respective business once the amounts are determined after the application period closes.

Information about the program – including the application and additional requirements – will be available on the agency website.

# Frequently Asked Questions

December 15, 2021

**For the most recent version of our FAQs, [visit our website](#)**

[Section I: Eligibility and Qualification for the Business Recovery Grant Program](#)

[Section II: Completing the Application for the Business Recovery Grant Program](#)

[Section III. Receiving the Business Recovery Grant](#)

[Section IV: Miscellaneous](#)

## Section I: Eligibility and Qualification for the Business Recovery Grant Program

### **1. What is the Business Recovery Grant Program?**

The Business Recovery Grant Program provides a one-time grant payment to aid eligible North Carolina businesses that suffered substantial economic damage from the COVID-19 pandemic. The Program was established in Session Law 2021-180 that was signed by Governor Cooper on November 18, 2021.

### **2. What are the eligibility requirements for the Business Recovery Grant Program?**

The requirements depend on the type of grant.

#### Hospitality Grant

To qualify for a hospitality grant, you must meet all of the following conditions:

- 1) You were classified in NAICS Code 71 or 72 from March 1, 2019 through February 28, 2021.
- 2) You are a taxpayer subject to North Carolina income tax imposed by Article 4 of Chapter 105 of the North Carolina General Statutes.
- 3) You suffered an economic loss, as the term is defined in Section 34.3A.(h) of Session Law 2021-180, of at least 20%.

#### Reimbursement Grant

To qualify for a reimbursement grant, you must meet all of the following conditions:

- 1) You were not classified in NAICS Code 71 or 72 from March 1, 2019 through February 28, 2021.
- 2) You are a taxpayer subject to North Carolina income tax imposed by Article 4 of Chapter 105 of the North Carolina General Statutes.
- 3) You suffered an economic loss, as the term is defined in Section 34.3A.(h) of Session Law 2021-180, of at least 20%.
- 4) You did not receive an award amount from any of the following:
  - a. COVID-19 Job Retention Grant
  - b. Economic Injury Disaster Loan Advance (EIDL Advance)
  - c. Paycheck Protection Program
  - d. Restaurant Revitalization Fund
  - e. Shuttered Venue Operators Grant Program

### **3. What is the NAICS code and where can I locate my business's NAICS code?**

A NAICS Code is a classification within the North American Industry Classification System adopted by the United States Office of Management and Budget. Generally, your NAICS Code should be similar to the Principal Business Code or Professional Activity Code reported on your federal income tax return. Find out more information by visiting the [NAICS website](#).

### **4. What business industries are classified in the 71 and 72 NAICS code?**

Businesses classified in NAICS codes 71 and 72 include businesses primarily engaged in the following sectors: Accommodation, Food Services, Arts, Entertainment, and Recreation. For a complete list of business sectors and more information, visit the [NAICS website](#).

### **5. How do I determine if I'm subject to North Carolina income tax under Article 4 of Chapter 105 of the North Carolina General Statutes?**

In general, Article 4 of Chapter 105 covers corporate income tax, individual income tax, and partnership tax. If you have further questions, review [Article 4 in its entirety](#).

### **6. How do I determine my economic loss?**

Your economic loss is determined based on the amount your gross receipts in North Carolina were reduced from the period March 1, 2019 through February 29, 2020 ("Pre-COVID Period") to the period March 1, 2020 through February 28, 2021 ("COVID Period").

### **7. How do I determine my gross receipts?**

For most taxpayers, your gross receipts are the gross receipts reported on Line 1 of your Form E-500, Sales and Use Tax Return ("E-500"). If you did not report gross receipts on Line 1 of your Form E-500, gross receipts are the sum of the receipts reported on Lines 4-8 of your Form E-500.

A partnership that filed a federal Form 1065, US Partnership Return of Income ("Form 1065"), may also include gross receipts reported on line 1a of Form 1065 that meet both of the following criteria:

- 1) The gross receipts were not reported on your E-500.
- 2) The receipts are apportioned to North Carolina.

Note: Applicants that file the Simplified Electronic Return (SER) may substitute the North Carolina "Total Sales" amount from SER schema in place of North Carolina gross receipts listed on line 1 of Form E-500.

**8. What is considered an award amount?**

Money, loan, advance, grant, or any other consideration received by the applicant from any of the following federal programs:

- COVID-19 Job Retention Grant
- An Economic Injury Disaster Loan Advance (EIDL Advance)
- Paycheck Protection Program
- Restaurant Revitalization Fund
- Shuttered Venue Operators Grant Program

If you received an award amount and were classified in NAICS Codes 71 or 72, you may qualify for a hospitality grant of up to 10% of your economic loss. If you received an award amount and were not classified in NAICS code 71 or 72, you are not eligible for a grant.

**9. My business is a corporation that operates multiple business locations in North Carolina, should I apply for a grant for each location?**

No. As long as your business locations are operated by the same corporation, the corporation should file one application. If you have multiple North Carolina Sales and Use Tax Account IDs, you must include the sum of the gross receipts reported on your Form E-500s for all of your sales and use tax account ID numbers. In addition, you will need to attach a list of all of your sales and use tax account ID numbers to your application.

**10. I am an individual operating multiple business locations in North Carolina. I have multiple North Carolina Sales and Use Tax Account IDs and file a separate schedule C for each location. Should I apply for a grant for each location?**

No. You should file one application for yourself. You must include the sum of the gross receipts reported on your Form E-500s for all of your North Carolina sales and use tax account ID numbers. In addition, you must attach a list of your North Carolina sales and use tax account ID numbers to your application.

**11. I have two businesses that are LLCs in North Carolina. The businesses are LLCs and are registered to collect North Carolina sales and use tax as LLCs with different FEINs. However, I am the sole member of the LLCs and the entities are disregarded for federal income tax purposes. How should I file the applications?**

Each business should file separate applications as LLCs because they are LLCs registered to collect and remit sales and use tax with different FEINs.

**12. If a business has more than one owner, will each owner receive the grant?**

No. The grant will be awarded to the business, not individual owners. Individuals should not file a grant application unless they operate a sole proprietorship.

**13. I am an S-Corporation with a single owner. I operate a business location in North Carolina. I file Form E-500, Sales and Use Tax Return, suffered an economic loss of over 20% during the COVID Period, and did not receive any other award amounts. Am I eligible for a grant?**

Yes. Since you are an S-Corporation operating in North Carolina, you suffered an economic loss of over 20% and you did not receive any other award amount, you are eligible for a grant. You must file a complete application prior to the deadline.

**14. If a business is not a partnership for federal income tax purposes, and does not have a NC Sales & Use Tax ID, is the business eligible for a grant payment?**

No. If the business is not a partnership for federal income tax purposes and the business does not have a NC Sales & Use Tax ID, the business is not eligible for a grant payment. To be eligible for a grant payment, North Carolina law requires the business to have suffered an economic loss.

An economic loss is determined based on the difference between the business's gross receipts for the COVID period and its gross receipts for the equivalent time frame before the COVID period. The law specifically defines a business's gross receipts as the sum of (i) the business's NC gross receipts listed on line 1 of Form E-500, Sales and Use Tax Return, (or the sum of lines 4 through 8, if line 1 is blank), and (ii) gross receipts not listed on Form E-500 but reported on line 1a of the federal Form 1065 if any, provided the gross receipts are for transactions apportioned to NC. Thus, if the business does not report gross receipts on either the Form E-500 or federal Form 1065, the business cannot calculate an economic loss.

**15. I have not filed an E-500, Sales & Use Tax Return(s), during the "COVID Period." What should I do?**

You should file and pay the E-500 Sales and Use Tax Return(s) for the missing period(s). You must include the gross receipts that will be reported on Line 1 of the E-500 when calculating your gross receipts for the "COVID Period."

**16. My business started in June 2019 so I don't have gross receipts prior to that date. Can I apply for the grant?**

Yes. However, it is unlikely that you would be able to show economic loss as required by the enacting statute. Session Law 2021-180 requires you to compare your gross receipts for the period beginning March 1, 2020 and ending February 28, 2021 to the prior **12-month period**. As a result, your business may not have suffered a 20% economic loss when comparing the two periods because you had no gross receipts from March 1, 2019 through June 2019.

**17. If I meet the qualifications to be eligible, but closed my business after February 28, 2021, am I still eligible to receive the grant?**

If your business was permanently closed at the time of the application, you are not eligible to receive a grant. A business must be in operation at the time of application for a grant.

**18. My business permanently closed during the “COVID Period.” Am I still eligible to receive the grant?**

No. The business cannot be permanently closed at the time of the application. This includes a business that has taken steps to dissolve or has filed documentation with the Department indicating the business is permanently closed. The Department will look to the cancellation or withdrawal of any business’s filings. Additionally, if a business closed its Sales and Use Tax Account with the Department, filed Form NC-BN with the Department or filed Form NC-3 indicating it is closing, the business is permanently closed.

**19. Can I use my Streamlined Sales Tax Identification Number (SST ID) instead of the NC Sales and Use Tax Account ID?**

Yes, the SSTID can be substituted for the Sales and Use Tax Account ID on your application.

**20. If I am a wholesale business and do not have taxable sales, can I still apply for the grant?**

If you meet all eligibility requirements, you may apply for a grant.

## Section II: Completing the Application for the Business Recovery Grant Program

### 1. What do I need to do to apply for the grant?

Review all of the eligibility requirements listed in [Section 1, Question 2](#) of this FAQ page. If you meet the eligibility requirements, then complete and submit the Application for Business Recovery Grant Program, Form NC-180, including all required attachments, prior to the deadline.

### 2. Can I submit a Business Recovery Grant Program application online?

Yes. The quickest and easiest way to apply is [online](#). The online application is simple, efficient, and secure. Once filed, you will receive an email confirmation that your application has been submitted to the Department.

If you do not have access to a computer, you can complete the online application at one of the Department's [service centers](#) by scheduling an appointment on the Department's website.

If you cannot complete the application online, then you may do any of the following:

- Drop off an application at one of the Department's [service centers](#).
- Fax a completed application to 919-715-7843, Attn: Business Recovery Grant Program.
- Mail a completed application to:  
NCDOR

Attn: Business Recovery Grant Program

514 Daniels St, #409

Raleigh, NC 27605

**Please note:** To be considered timely, mailed applications must be received at the address listed above on or before January 31, 2022.

### 3. When is the last day I can submit my Business Recovery Grant Program application and be eligible to receive the grant?

You must submit an electronic application on or before January 31, 2022. Applications submitted by fax, mail, or delivered to a Department service center must be received by the Department on or before January 31, 2022.

**4. How do I know the Department has received my online application?**

If you've received an email confirmation with the subject line '**Completed: Please DocuSign: NC-180 Application for Business Recovery Grant Program**', then the Department is in receipt of your electronic application. If you submitted an electronic application but do not see a confirmation email, then check your spam email inbox. If you still do not see a confirmation email, then call the Department at 1-877-252-4487.

**Please note:** Applications faxed or mailed to the Department will not receive a receipt confirmation from the Department.

**5. If I made a mistake on my original application or forgot to include an attachment, how can I correct it?**

You will need to complete another application and select "Amended" on the application. You can file an amended application online or by paper. You must submit an amended electronic application on or before January 31, 2022. Amended applications submitted by fax, mail, or delivered to a Department service center must be received by the Department on or before January 31, 2022.

**6. I saved my application to complete later. How do I access and complete it?**

When you saved your application, DocuSign sent you an email. Access your email inbox and search for an email subject line '**Please DocuSign: NC-180 Application for Business Recovery Grant Program.pdf**'. Once you find the email, click the 'Review Document' button to continue completing the application.

**7. Can my Power Of Attorney ("POA") complete and sign the application on my behalf?**

Yes, but only if you specifically authorize a POA to apply for a government grant or program on your behalf. This can be accomplished by way of a general power of attorney. Importantly, Form GEN-58, which is the Department's Power of Attorney, only grants a POA authority for North Carolina tax matters. As a result, Form GEN-58 would not authorize a representative to apply for the Business Recovery Grant Program on your behalf.

**8. I was not able to submit an application for the grant on or before January 31, 2022. Will I be eligible to receive the grant if I submit an application after January 31, 2022?**

It depends. If funds are available for grants after the application period closes, the Department will reopen the application period. The Department will provide notification on its website and provide additional information if it reopens the application period.

## Section III. Receiving your Business Recovery Grant

### 1. When will the Department issue grants?

The Department will begin issuing grants to qualifying businesses after the application period has ended. Payment information will be posted on the [Payments tab](#) as soon as it is available.

### 2. I am eligible for the grant. How much will I receive?

It depends.

#### Hospitality Grant

You may receive a grant of up to 20% of your economic loss, but no more than \$500,000, if you did not receive an award amount from any of the following:

- a. COVID-19 Job Retention Program
- b. Economic Injury Disaster Loan Advance (EIDL Advance)
- c. Paycheck Protection Program
- d. Restaurant Revitalization Fund
- e. Shuttered Venue Operators Grant Program

You may receive a grant of up to 10% of your economic loss, but no more than \$500,000, if you received an award amount from any of the programs listed above.

#### Reimbursement Grant

You may receive a grant of up to 20% of your economic loss, but no more than \$500,000.

**Please note:** Hospitality and reimbursement grants will be reduced if the total amount of grant awards exceeds the funds authorized for the program.

### 2. How will I receive a grant award?

The Department will mail paper checks to grant recipients using the mailing address listed on the application. We will post the payment distribution information and timing on our website as soon as it is available.

### 3. Who will the grant check be made payable to?

If the business is a sole proprietorship, the check will be made payable to the individual operating as a sole proprietorship. If the business is an entity, then the check will be made payable to the legal business name of the applicant listed on the application.

### 4. What address will the grant check be mailed to?

The check will be mailed to the mailing address you listed on the Application for Business Recovery Grant Program.

**5. I disagree with the Department's grant amount calculation. Can I dispute the determination?**

No. The Department's determination on grant amount issuance is final.

## Section IV: Miscellaneous

**1. Will I owe the Internal Revenue Service tax on the grant?**

Whether the grant is included in federal gross income is determined under federal law. Generally, however, all income is taxable for federal tax purposes unless specifically exempted by federal law. The Department of Revenue will issue a 1099G for the 2022 tax year if you receive a grant payment.

**2. Will the grant be included in my North Carolina taxable income?**

No. If the grant is included in federal AGI or federal taxable income, the Department will allow a deduction for the grant payment. The grant is not subject to North Carolina income tax. The Department will issue additional guidance in the instructions for the 2022 tax year.

**3. What is the difference between the Business Recovery Grant Program and a federal stimulus check I received from a federal government program?**

The Business Recovery Grant Program is a State program administered by the Department of Revenue. The purpose of the grant is to aid eligible North Carolina businesses that suffered substantial economic damage from the COVID-19 pandemic. Any federal grant payments received were from a federally administered program on behalf of the U.S. government.

**4. I have a question about the Business Recovery Grant Program that is not covered in these frequently asked questions. What should I do?**

If you have any questions about the program or application, you may call the North Carolina Department of Revenue at 1-877-252-4487 (8:00 am until 4:30 pm EST, Monday through Friday).