The N.C. Department of Revenue plans to launch the application for Phase 2 of the Business Recovery Grant program on May 2, 2022, with changes to the program’s eligibility criteria allowing many additional businesses to qualify for these grants. Farmers and agribusinesses will now be eligible.

The BRG program will issue a payment to an eligible North Carolina business that suffered an economic loss of at least 20 percent during the pandemic. The grant amount is a percentage of the economic loss demonstrated by the eligible business or $500,000, whichever is less. The application deadline is June 1.

Many businesses excluded in Phase 1 are eligible to apply in Phase 2. In addition to COVID-impacted businesses in the hospitality industry such as restaurants and hotels, the BRG is now open to other businesses affected by the pandemic such as:

• Farmers and Agribusinesses
• Gyms and Personal Training businesses
• Salons and Barbershops
• Massage Therapy businesses
• Dental offices
• Law firms
• Doctor offices
• Interior Design businesses
• Hardware Stores
• Pharmacies
• Landscapers
• Tailor and Dry Cleaning businesses

Additionally, a business’s previous receipt of a grant award from certain federal programs will not make it ineligible for a reimbursement grant. This list is non-exhaustive, and businesses are encouraged to visit https://www.ncdor.gov/business-recovery-grant to learn more about eligibility criteria beginning May 2.

Following the initial application period, which closed on Jan. 31, around $203.5 million remained of the $500 million in funds initially authorized for the program. NCDOR worked with the N.C. General Assembly to expand eligibility to certain businesses impacted by the pandemic but that did not qualify for the first round of funds.

“Our hope is that the expanded Business Recovery Grant program requirements will encourage more eligible North Carolina businesses to apply,” said NCDOR Secretary Ronald Penny.

Two types of grants will be available to eligible businesses for Phase 2:

• A hospitality grant is available to an eligible arts, entertainment, or recreation business, as well as an eligible accommodation or food service business such as a hotel, restaurant, or bar (NAICS code 71 and 72).
A reimbursement grant is available to an eligible business not classified in NAICS Code 71 and 72. A business’s previous receipt of a grant award from certain federal programs will not make it ineligible for a reimbursement grant.

Gross receipts reported on the expanded list of tax forms can be used to calculate an economic loss for Phase 2, making the BRG available to sole proprietors, corporations and other businesses that do not report gross receipts on Form E-500 or Federal Form 1065. This may also provide a larger grant award to businesses that primarily provide services.

On May 2, eligible business owners will be able to apply for Phase 2 online at www.ncdor.gov. More detailed information and answers to Frequently Asked Questions will also be available on the agency website.

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