

Separating Ma'aser Kesafim on a PPP Loan Amid Covid-19

Rav Chaim Weg

Question: If a business receives a PPP loan in order to help make their payroll, must the business owner separate ma'aser kesafim from that money? Would it matter if the loan is ultimately forgiven?

Answer: The halachah is that one is not obligated to give ma'aser kesafim from loans, since the money was not earned and must be repaid. If the loan eventually turns into a gift, then the question would arise whether ma'aser must be separated at that point.

It would seem that the way these loans are currently being issued, there is no chiyuv to separate ma'aser even after the money becomes a gift, since ma'aser need not be separated from business expenses, but only from the net profit. Therefore, since a PPP loan is used to help cover business expenses, such as the payroll, it is not considered part of the profits. If the money given would somehow impact upon the owner's profits, then he would indeed have to separate ma'aser accordingly.

It is important to note that one cannot simply use one's tax returns to calculate the total profit, as there are some things that the IRS considers to be a deduction that the Halachah does not, while others are considered a deduction according to the Halachah but not according to the IRS.

If the same question concerning a loan that is later forgiven arises with regard to an individual as opposed to a business, the Halachah is that one would be obligated to separate ma'aser, since gifts of money are for sure chayavin ma'aser.

According to Rav Moshe Feinstein, though, there may be an exception to this rule if the gift was given for a specific purpose by the donor. In such a case, since the donor would not want the recipient to use any of the money for other purposes (including for tzedaka or ma'aser), one would be exempt from separating ma'aser from it.