

## December 2020 COVID-19 Relief Package Summary

- **\$325 billion Small Business Relief:**
  - **Paycheck Protection Program:** Provides additional \$284.45 billion for additional PPP loans and makes important changes to the program.
    - **Second Round of PPP** would be available for businesses who have less than 300 employees and can demonstrate a 25% decline in gross receipts in one quarter of 2020 relative to that same quarter in 2019.
      - For most businesses, the size of the loans will be the same as last time (2.5x monthly payroll), but restaurants/hotels (NAICS Code 72) will be able to get loans that are 3.5x months payroll.
      - Borrowers receive full loan forgiveness if they spend at least 60% of their PPP second draw loan on payroll costs over a time period of their choosing between 8 weeks and 24 weeks.
      - \$35 billion is set aside for first-time PPP borrowers, and of this, \$15 billion is set aside for businesses with less than 10 employees or loans of less than \$250k in low-income area. \$25 billion is set aside for second-time borrowers that meet these qualifications.
      - Treasury and SBA will have 10 days to stand up this new round of PPP, so things are going to happen very quickly once this passes.
    - **501c6 Eligibility:** Entities with less than 300 employees will be eligible for PPP as long as not more than 15% of the organization's revenue is from lobbying.
    - **PPP for Producers Act:** Allows Schedule F farmers to base their loan amount on gross income instead of net income, which will allow a lot more farmers to qualify and for them to receive larger amounts across the board. They would also be able to reapply for the higher amount.
    - **Eligibility for News Media:** Includes provision to allow local newspapers, television, and radio stations to receive PPP even if they are owned by a larger entity.
    - **Streamlined Forgiveness:** Simplifies forgiveness process for loans under \$150,000, something Senator Ernst has long called for. Borrowers would only need to sign and submit a one-page certification listing the loan amount, number of employees retained, and estimated amount of loan spent on payroll costs.
    - **PPP Deductibility:** Business expenses paid for using forgiven PPP loans would be tax deductible, reversing earlier IRS guidance.
    - **Repeals EIDL PPP Reduction** – Repeals CARES Act requirement for the amount of PPP that gets forgiven to be reduced if the borrower also received EIDL grants.
    - **Strengthens Safe Harbor for Lenders**
    - Establishes process through which borrowers **can request a higher loan amount** if regulatory changes would lead to a higher amount.
  - **Save Our Stages Act:** \$15 billion in funding for independent live venue operators, including eligible independent movie theatres and museums, affected by COVID-19 stay-at-home orders.
  - **Economic Injury Disaster Loan (EIDL) Advance Grants:** Provides an additional \$20 billion for EIDL Advance grants. Funding for these grants expired earlier this year, and this would allow folks to receive grants if they haven't been able to do so yet. It also creates a process through which existing grantees who received less than \$10,000 can receive higher grant levels.

- **Other SBA provisions:** Provides a boost to SBA 7a, 504, and microloan programs to help provide more access to capital to small businesses. Also provides \$3.5 billion in debt relief for borrowers under these programs.
  - Language was included that will prevent the Treasury secretary from restarting emergency lending programs created by the CARES Act, as well as from designing any new programs that look the same as ones that are ending.
- **CARES Act Extension:** State and local governments now have until Dec. 31, 2021 to spend aid provided by the CARES Act.
- **\$166 Billion Economic Impact Payments:** Up to \$600 per person (including children), begins phasing down at \$75,000 per year income level (or \$150,000 per year for married couple). Fully phased out at \$99,000 per year for an individual and checks likely to go out as soon as next week.
- **Vaccine/Testing:**
  - \$19.695 billion for vaccine, therapeutic, and diagnostic development.
  - \$8.75 billion to plan, prepare for, promote, distribute, administer, monitor, and track coronavirus vaccines to ensure broad-based distribution, access, and vaccine coverage
  - \$22.4 billion for testing, contact tracing, and surveillance.
  - \$3.25 billion for the Strategic National Stockpile.
- **\$120 Billion Additional Unemployment Benefits:** Jobless workers will get an additional \$300 per week in federal funding through March 14<sup>th</sup>. Extends unemployment benefits to self-employed individuals, gig workers, and those who have exhausted their state benefits
- **Child Care:** \$10 billion in grants to stabilize the childcare sector and allow providers to safely reopen.
- **Education:** \$82 billion in COVID relief for schools.
- **Nutrition Assistance:** Boosts SNAP benefits by 15% for six months.
- **Rental Assistance:** \$25 billion in emergency rental assistance, extends eviction moratorium through end of January.
- **Agriculture:** \$13 billion to support farms and agriculture. Includes important language that allows USDA to use funds to support biofuels producers.
- **Tax Relief:**
  - **Disaster Tax Relief** for victims of the Derecho and other 2020 disasters. Among other things, it creates an employee retention credit for businesses in disaster zones, allows for penalty-free use of retirement funds for disaster mitigation, provides additional housing tax credit allocations in disaster zones.
  - **Employee Retention Tax Credit** for COVID is improved and extended for two quarters in 2021

- **Paid Sick Leave Tax Credit** established by Families First Act this spring will be extended through March, but there will be no mandate to provide leave beyond the end of this year.
  - **Craft Beverage Modernization Act** – The bill makes the excise tax cuts for breweries, distillers, etc. permanent.
  - **Tax Exclusion for Student Loan Payments by Employer** extended for 5 years.
  - **Makes meals a deductible business expense** for two years.
  - **Extension of Charitable Giving Deduction Boost** – The CARES Act made the charitable giving deduction available to non-itemizers up to a certain level in 2020. The bill extends this for one year.
  - **Sunset Extension:** 5-year extension of several expiring tax provisions, including the Work Opportunity Tax Credit, the New Markets Tax Credit, and the Paid Family/Medical Leave Tax Credit (not to be confused with the one established by Families First).
- **Broadband:** \$7 billion in broadband funding, including \$300 million for rural broadband and \$250 million for telehealth.
  - **Transportation:** \$16 billion for another round of support for airline employees, \$14 billion for transit, \$10 billion for highways, \$2 billion for passenger transportation services, and \$2 billion for airports.
  - **Surprise Billing:** The omnibus bill now includes an agreement to protect patients from receiving surprise medical bills, shielding insured patients from unexpected out-of-network and emergency care.