

Good afternoon,

Our office wanted to provide an extensive overview of the legislation that was passed last night. As you are all aware, this has been a top priority for Tom over the last several months. Much of the framework for this final plan was in the Problem Solvers Caucus proposal; the group Tom has Co-Chaired since 2017. While we didn't get everything we wanted, this is a start and assistance will be provided through a variety of channels. Please share this with your stakeholders lists and let us know if you have any questions. We plan to have some zooms in the near future to dive further into these programs as businesses and constituents begin to apply. I have also copied our policy team on this email who can assist in answering questions.

Economic Impact Payments

- \$600 EIP per eligible individual, including dependent children
- EIP begins to phase out for individuals with AGI of \$75,000, \$112,500 for head of household, and \$150,000 for married filing jointly
- Ineligible individuals are nonresident aliens and adult dependents
- Retroactively fixes the "mixed status" issue from CARES where a resident is married to a nonresident alien.

Unemployment

- Additional federal \$300 per week add-on from Dec. 26 through April 5, with an application deadline of March 14.
- Extends and phases out PUA, a temporary federal program covering self-employed and gig workers, to April 5, with an application deadline of March 14.
- Extends and phases out PEUC, which provides additional weeks when state unemployment runs out, to April 5.
- Extends federal funding of 50% of the cost for reimbursable employers until March 14.
- Includes requirement for applicants to provide documentation of employment (not just self-certification as is currently the case) and requires states to verify applicant identity. Also includes Return-to-Work reporting requirements states to have a mechanism for employers to report when someone turns down a job and notifying claimants of the requirement to accept suitable work.

Child Care

- \$10B for Child Care Development Block Grants
- \$250M Head Start Programs

Nutrition Assistance

- Increases SNAP's monthly benefits for 6-months
- \$400M for The Emergency Food Assistance Program
- \$13M for the Commodity Supplemental Food Program
- Reimburses school food authorities and daycare centers by 55% for COVID costs
- \$175M for Older Americans Act "Meals on Wheels" Nutrition Services

Rental Assistance

- \$25 billion for states, territories, tribes, and large cities to provide assistance to renters. Grantees shall use funds to provide direct financial assistance or housing stability services to eligible households.
- Eligible households may receive up to 12 months of assistance, plus an additional 3 months if necessary to ensure housing stability. Grantees can only commit to assistance in 3-month increments, after which point an eligible household must re-apply for funds.
- An "eligible household" is defined as a renter household that meets the following criteria:
 - Qualifies for unemployment or has experienced a reduction in household income, incurred significant costs, or experienced a financial hardship related to COVID-19;
 - Demonstrates a risk of experiencing homelessness or housing instability; and
 - Has a household income at or below 80 percent of the area median.
- An application for rental assistance may be made directly to a grantee by either an eligible household or by a landlord on behalf of that eligible household. In general, grantees will provide funds directly to landlords and/or utility service providers. If a landlord does not wish to participate, the grantee may provide funds directly to the eligible household.
- Extends the eviction moratorium issued by the Centers for Disease Control and Prevention (CDC) through January 31, 2021

Airline Employees and Contractors: \$16B for the Payroll Support Program

Support for Small Business and Farmers

Payroll Protection Program Modifications: additional \$284.45 billion in funding

- Extends covered period through March 31.
- Clarifies that businesses expenses paid for with forgiven PPP funds remain deductible.
- Loan forgiveness process is simplified for borrowers with PPP loans of \$150,000 or less.
- Forgivable expenses are expanded to include supplier costs and investments in facility modifications and personal protective equipment to operate safely.
- Enhances borrower flexibility by allowing borrowers to select their loan forgiveness covered period between 8 weeks and 24 weeks.

- Allows PPP borrowers to include additional group insurance payments when calculating their PPP payroll costs. This would cover insurance plans such as vision, dental, disability and life insurance.
- Establishes the loan amount calculation for farmers and ranchers

to better align with recent years' income.

- Expands PPP eligibility for certain 501(c)(6) nonprofits and Destination Marketing Organizations with 300 or fewer employees that do not receive more than 15% of their revenue from lobbying.
- Allows forgiveness for PPP loans and EIDL emergency advance grants, preventing small business owners being left with unexpected PPP loan balances.

Second round of PPP for businesses with 300 or fewer employees and a 25% revenue loss.

- Maximum loan of 2.5X average monthly payroll up to \$2 million.
- Accommodations and Food Services may receive a loan up to 3.5X average monthly payroll.

Economic Injury Disaster Loans: Additional \$20 billion for the SBA's EIDL advance program

Live Venue Support: Establishes a \$15 billion grant program to support shuttered live venues, theaters, museums, and zoos that have experienced significant revenue losses. Based on the Saves Our Stages Act.

Motorcoaches: \$2 billion for grants, loans, and loan guarantees to transportation services providers, including the motorcoach, over-the-road bus industry, and private school bus operators. Eligible transportation providers have 500 or fewer employees and experienced a revenue loss of 25% or more on an annual basis. Based on the CERTS Act.

Agriculture (\$13 billion)

- \$1.5B to purchase food and agriculture products and distribute to NGOs
- Allows USDA to carry out a dairy recourse loan program to make purchases of dairy products from processors, packagers, merchants, marketers, wholesalers, and distributors
- \$100M for Specialty Crop Block Grants
- Supports supplemental Dairy Margin Coverage support. Includes \$400M to support dairy donations to non-profit entities like food banks.

Paid Leave: Families First Coronavirus Response Act tax credits for paid leave are extended through March 31, 2021. However, the mandate to provide paid leave is not extended.

- Allows self-employed individuals to use the prior year's earnings for determining paid leave amount COVID Tax Provisions

Employee Retention Tax Credit expanded and extended through June 30, 2021

- Credit rate increased from 50% to 70% of qualified wages;
- Increases the limit on per-employee creditable wages from \$10,000 for the year to \$10,000 for each quarter;
- Eligibility expansions
 - Reduction in the required year-over-year gross receipts decline from 50% to 20%, including a safe harbor allowing employers to use prior quarter gross receipts to determine eligibility;
 - Increase in the 100-employee delineation for determining the relevant qualified wage base to employers with 500 or fewer employees;
 - Allows certain public instrumentalities to claim the credit;
- Removes the 30-day wage limitation, allowing employers to, for

example, claim the credit for bonus pay to essential workers;

Allows businesses with 500 or fewer employees to advance the credit at any point during the quarter based on wages paid in the same quarter in a previous year;

- Provides rules to allow new employers who were not in existence for all or part of 2019 to be able to claim the credit; and
- Provides that employers who receive PPP loans may still qualify for the ERTC with respect to wages that are not paid for with forgiven PPP proceeds.

Financial Services

- Includes an explicit "hold harmless" provision for PPP lenders
- Provides for PPP lender reimbursement by SBA for new PPP loans.
 - Loans of less than \$50,000 that is equal to the lesser of 50% of the loan principal or \$2,500;
 - Loans of more than \$50,000 and not more than \$350,000 equal to 5% of the loan principal;
 - Loans of more than \$350,000 and less than \$2,00,000 equal to 3% of the loan principal; and
 - Loans of more than \$2,000,000 equal to 1%.
 - Clarifies lender reimbursement by SBA shall be made no later than 5 days post-disbursement.
- Extends exemption from compliance with the Current Expected Credit Loss (CECL) accounting standard for an additional year, through January 1, 2022.

- Extends enhancement of the NCUA's Central Liquidity Facility (CLF) by temporarily increasing the CLF's maximum legal borrowing authority and allowing more credit unions to borrow from the CLF. Access to this facility for an additional year, through December 31, 2021.
- Extends the temporary suspension of the GAAP requirements for the Troubled Debt Restructuring (TDR) classifications on loans for an additional year, to January 1, 2022.

Other Tax Provisions

- Lower excise taxes for breweries, wineries, and distilleries made permanent
- New Markets Tax Credit extended for 5 years
- Work Opportunity Tax Credit extended for 5 years

Support for Healthcare Providers, Schools, and Infrastructure

Healthcare (\$62.6 billion)

- \$19.7B - Vaccine, therapeutic, and diagnostic development
- \$8.75B - Vaccine distribution
 - \$4.5B in grants to states
- \$3.25B - Strategic National Stockpile
- \$1.25B - Research and clinical trials for long-term studies of COVID
- \$4.25B - Substance Abuse and Mental Health
- \$22.4B - Testing, tracing, and surveillance
- \$3B - Provider Relief Fund
 - Includes clarifying the definition of lost revenue and allows system wide transfers
 - Allows for reimbursement for premium pay for staffing

Education (\$81.8 billion)

- \$54.3B for K-12 (ESSER)
 - Includes Maintenance of Effort Language
- \$22.7B for Higher Education (HEER)
- \$4.1B for Governors Fund (GEER)
 - \$2.5B for private schools

Transportation: (\$43 billion)

- \$10B for Highway Infrastructure programs including \$9.8 for Surface Transportation Block Grants to states
- \$14B in Transit Infrastructure Grants (\$13.3B urban, \$679M non-urban)

- \$2B in grants-in-aid for airports
- \$1B for Amtrak

Broadband: \$7 billion for high speed broadband projects

Thank you and Happy Holidays!

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