

Summary of Federal Legislative Packages in Response to COVID 19

The President and Congress are working to put aside partisan differences to advance a legislative package in response to the impacts of COVID-19. These efforts are proceeding in three phases:

- Phase I, the “Coronavirus Supplemental”, is primarily a series of supplemental appropriations.
- Phase II, the “Families First Coronavirus Act”, focuses on targeted relief for both individuals and businesses and an expansion of coverage for COVID-19 testing.
- Phase III, the “CARES Act”, primarily addresses small business liquidity issues and assistance for distressed industries, financial assistance for individuals, and support for federal and state government programs.

All three phases have passed both houses of Congress and have been signed by the President.

Phase I: The Coronavirus Preparedness and Response Supplemental Appropriations Act, (H.R. 6074), is an \$8.3 billion emergency funding bill designed to treat and prevent the spread of COVID-19. Large portions of the appropriations went to the Department of Health and Human Services (HHS) to develop vaccines and testing kits for local communities, for staffing increases and additional lab equipment at the state and local levels, and to the federal government to assist in the international containment of COVID-19.

Phase II: The Families First Coronavirus Response Act (H.R. 6201), includes an expansion of coverage for COVID 10 testing and a variety of other benefit requirements. The bill expands unemployment benefits, requires employers over 50 employees to provide paid sick leave for self-quarantine, family medical leave and virus treatment as well as offsetting employer tax credits. The bill also provides supplemental appropriations for nutrition and assistance programs.

Chamber members have raised questions about the process and timing for claiming reimbursement for newly authorized medical leave provision. We understand that IRS guidance is pending and will update when more information is available.

Phase III: 'Coronavirus Aid, Relief, and. Economic Security Act' or the “CARES Act” (H.R. 784) was passed by the U.S. Senate on (3/25) by a vote of 96-0, passed by the House on Friday (3/27) by unanimous consent, and was promptly signed by the President.

Think about the estimated \$2 trillion package in three big chunks:

1. Business Loans
2. Direct Relief to Individuals
3. Supplemental Funding to States and other government programs

Business Loans and Tax Credits:

- \$500 billion in emergency loans, loan guarantees and bond purchases, administered by the Federal Reserve, to support eligible businesses, as well as state and municipal governments.
- \$349 billion small business lending program, modeled on existing SBA 7(a) program, with 100% government guarantee on partially forgivable loans.
 - All financial institutions can provide these SBA loans.
- Employee retention credit for employers subject to closure due to COVID-19 provides 50% tax credit applicable to the employer's share of payroll taxes on wages up to \$10,000 per employee
- Delay of payment of employer payroll taxes (defer payment of the employer share of the Social Security tax due between now and January 1, 2021 to December 31, 2021).

Direct Relief to Individuals

- \$1,200 tax rebates to individuals, with additional \$500 payments per qualifying child. The rebate begins phasing out when incomes exceed \$75,000 (or \$150,000 for joint filers)
 - [Stimulus check calculator from Kiplinger](#)
- Extend unemployment insurance by 13 weeks, including an additional \$600 per worker per week benefit enhancement for a four-month period through July 31, 2020.
 - One week waiting period for unemployment insurance benefits is waived
 - 100% of cost for supplemental benefits covered by the Federal government
- Federally backed mortgage loans may request forbearance on the Federally backed mortgage loan for 2 months with allowable extensions of 30 days up to 4 months.
- Deferred student loan payments through September 30, 2020 without borrower penalty

Supplemental Funding to Government Response Efforts (including State/Local):

- \$340 billion in new federal spending for Fiscal Year 2020 – much of which will flow to state/municipal governments and local communities. It includes:
 - \$4.3 billion for the Centers for Disease Control (CDC) which includes direct funding to state/local public health responders and preparedness grants
 - \$945.5 million for the National Institute of Health (NIH) for vaccine and treatment research
 - \$19.6 billion for the Department of Veterans Affairs (VA) for medical services and facilities
- \$150 billion to states and local government based on each state's population for the purpose of funding unforeseen expenses related to COVID-19.

There is a lot more in this 900 plus page bill.

The full text can be found at: <https://www.congress.gov/bill/116th-congress/senate-bill/3548/text>

Click here for a [detailed summary compiled by the U.S. Chamber of Commerce](#).