
COVID-19 Emergency Relief Package Summary

The COVID-19 Emergency Relief Package is a \$900 billion package providing financial assistance for individuals, businesses, and sectors hard hit by the pandemic such as education and transportation. Below are highlights of some of the provisions:

Paycheck Protection Program (PPP)

- **Additional Funding.** \$284 million for first and second draw loans
- **Second Draw Loans.** Bill creates a second draw loan for smaller and harder-hit businesses, with maximum loan amount of \$2 million. Borrowers must have no more than 300 employees, demonstrate at least a 25% reduction in gross receipts (using same quarters from 2019 and 2020)
- **Loan Calculation.** Most borrowers eligible for loan amount of up to 2.5X average monthly payroll in year prior to loan. Hotels and restaurants eligible for loans up to 3.5X average monthly payroll in year prior to loan.
- **Additional Eligible Expenses.** In addition to payroll, rent, utilities, rent and mortgage interest payments, eligible expenses that are forgivable now include cost of perishable goods, covered technology operations (e.g. software, human resources and accounting needs), personal protective equipment and adaptive expenses to comply with safety guidelines, and property damage due to public disturbances. The 60/40 allocation between payroll and non-payroll costs in order to receive full forgiveness still applies.
- **Expanded Eligibility.** 501(c)(6)s, Destination Marketing Organizations with no more than 300 employees are now eligible.
- **Deductibility.** The bill provides for tax deductibility of expenses paid for with PPP loans.
- **Simplified Forgiveness for loans under \$150,000.** Borrower submits one-page form attesting to compliance with loan requirements; borrowers must retain records for seven years
- **Hold Harmless.** Lenders may rely on certification from borrower on initial, or second draw PPP loans, and no enforcement action may be taken against lender who acts in good faith
- **Extension.** PPP runs through March 31, 2021.

Employee Retention Tax Credit (ERTC)

- **Extension and Expansion of ERTC.** The bill clarifies that businesses can participate in both the PPP and the ERTC; increases the credit percentage from 50% to 70% of the first \$10,000 for any quarter of 2021, raising the maximum credit from \$5,000 to \$14,000 per employees in 2021 if they are eligible in both quarters; extends credit through July 1, 2021

Shuttered Venue Operators Grants

- **Grants for Live Venues.** \$15 billion in grants for live venues, independent movie theaters, cultural institutions, zoos; grants equal 45% of gross earned revenue in 2019

- **Eligibility.** In first two weeks, grants of up to \$10 million to eligible entities with 90% or greater revenue loss; in following 14-day period, grants to eligible entities with 70% or greater revenue loss; after 28 days, grants awarded to other eligible entities
- **Grant Uses.** Eligible uses are payroll costs, rent, utilities, and PPE

Direct Relief for Families & Unemployed

- **Direct Payments.** Economic Impact Payments of \$600 for individuals making up to \$75,000 per year and \$1,200 for couples making up to \$150,000 per year, as well as a \$600 payment for each child dependent
- **Unemployment Insurance.** Extension of benefits from December 26, 2020 through March 14, 2021; enhanced payments of \$300/week for all workers receiving benefits; extends the Pandemic Unemployment Assistance Program providing expanded coverage to self-employed, gig workers and other in non-traditional employment
- **Rental Assistance.** Extends eviction moratorium until end of January; assistance for past due and future rent payments, as well as utility and energy bills

Additional Provisions

- **Economic Injury Disaster Loans.** \$20 billion for EIDL Advance program
- **Vaccine, Testing, Distribution.** \$69 billion for vaccine procurement and distribution, contact tracing, mental health funding and support for health care providers
- **Transportation.** \$45 billion in funding including \$15 billion for airline payroll support; \$1 billion for airline contractor payrolls; \$14 billion for transit; \$10 billion for state highways; \$2 billion for airport and concessionaires; \$2 billion for private motorcoach, school buses and ferries; \$1 billion for Amtrak
- **Education & Child Care.** \$82 billion for K-12 schools, higher education impacted by pandemic; \$10 billion in emergency funds for child care sector
- **Broadband.** \$7 billion for enhanced access to broadband
- **Charitable Deduction.** Above-the-line charitable contribution deduction is extended through 2021 (\$600 for married filing jointly, \$300 for other filers)
- **Business Meal Deductions.** Meals are 100% deductible (instead of 50% deductible) in 2021 and 2022.