

Emergency Relief / Business Support Provisions

Legislative Bill Summary

Coronavirus Aid, Relief, and Economic Security (CARES) Act

Economic Development Funding

- \$1.5 billion for Economic Development Administration grants to support states and communities suffering economic injury as a result of COVID-19
- \$5 billion for Community Development Block Grant program to provide additional support for COVID-19 affected communities
- \$1 billion in lending authority for the Rural Business Cooperative Service for the USDA-RD Business and Industry Loan Guarantee Program

Manufacturing Extension Partnership

- \$50 million for small and medium-sized manufacturers across the country
- Waives statutory cost-match requirements for all FY2020 funding

Unemployment Insurance Expansion

- \$250 billion funding infusion for federal unemployment insurance program
- Provides unemployed workers with an increase of \$600 per week benefits for up to four months
- Expands federal benefits to non-traditional recipients, including gig workers, independent contractors, etc
- Funds an expanded 13 weeks of benefits through December 31, 2020

Paycheck Protection Program

- \$350 billion loan program for businesses under 500 employees suffering impacts due to economic crisis
- Support payroll, mortgage interest payments, rent, and utilities from February 15th – June 30th
- Loans capped at \$10 million with ability to cover employees earning up to \$100,000 in annual wages
- Financing formula based on retention of employees versus same period in 2019

Recovery Rebate for Individuals

- \$1,200 refundable, non-taxable tax credit for individuals / \$2,400 for joint taxpayers
- Child tax credit of \$500 per child
- Sliding scale for individuals earning up to \$100,000
- Based on 2018 or 2019 tax returns

Economic Stabilization Financing

- \$500 billion in loans, loan guarantees, and credit facility mechanisms
- Eligible financing for "seriously distressed and absolutely essential companies"
- Participating businesses must not engage in stock buybacks and are required to retain a minimum of 90% of workforce
- \$454 billion will be controlled in a fund managed by the Federal Reserve

- Remaining funds will be for targeted industries:
 - Up to \$25 billion for airlines
 - Up to \$4 billion for cargo air carriers
 - Up to \$17 billion for businesses critical to maintaining national security

Small Business Loan Disaster Program

- Extension of financing support to businesses with less than 500 employees, independent contractors, and other entities
- Waives certain rules for the program, including personal guarantees for loans of less than \$200,000, timing, and credit availability tests, among others
- Loans may be utilized for sick leave pay related to COVID-19, payroll, rent, mortgage, and dent repayments due to lost revenue
- May be eligible for forgiveness based on employee retention formula and costs incurred

Employee Retention Credit

- 50% refundable payroll tax credit for businesses affected by COVID-19 and suffering at least 50% loss in gross receipts from same quarter in previous year
- Determined on qualified wages paid during economic crisis
- If business has less than 100 employees, the credit can be for all employees
- Allows for up to \$10,000 in wages plus benefits paid per employee

Additional Business Tax Provisions

- Delay of employer-paid Social Security payroll tax payments
- Allowance of net operation losses from 2018, 2019, or 2020 and suspension of 80% of taxable income limits

Coronavirus Relief Fund

- \$150 billion for state and city expenditures related to COVID-19
- Funding is allocated based on population formula
- States will be allocated a minimum of \$1.25 billion