



CORNERSTONE

— AN EMPLOYEE-OWNED COMPANY —

COVID-19 Legislative Update

March 15, 2021

Dear Cornerstone Clients,

Over the last 365 days, this update has aimed to provide accurate and timely information about the status and contents of potential and passed legislation relating to the federal COVID-19 response. We've covered eight response bills – from veto threats to midnight passage – and focused on explaining the legislative process, politics, and policy implications for our readers. We hope you have found it helpful as you navigated this difficult year and that it has in some way prepared you to address the effects of the pandemic in the coming months. As Congress has shifted its focus to items outside of COVID-19 response, our time writing the COVID-19 Legislative Update has come to an end. While we will no longer be sending the Legislative Update, please know the Cornerstone team are still be happy to answer questions going forward. Below our Supplemental V overview, we've compiled a list of helpful resources for tracking the implementation of the most recent bill. **Please note this will be the last publication of the COVID-19 Legislative Update.**

Legislation

Supplemental V – The American Rescue Plan

Timeline/Process/Politics: After the Senate passed the bill 50-49 on March 6, the House passed the bill last Wednesday, with two Democrats voting against (Reps. Jared Golden and Kurt Schrader). No Republicans in either chamber voted for the bill. After initially [planning](#) to sign the bill into law on Friday, President Biden signed the bill on last Thursday at 1:30 p.m.

Policy: The House passed the bill on Wednesday, March 10, by a vote of 220-211. Text of the bill [here](#), comprehensive summary [here](#). Summary of the Senate changes [here](#), one-pager on changes

[here](#). Senate Majority Leader Schumer sent out a [Dear Colleague](#) last Tuesday with links to various summaries of key parts of the bill.

Estimates for Relief for Individual States:

- State and Local Fiscal Relief [here](#)
- Enhanced Federal Unemployment Insurance [here](#)
- Expanded Earned Income Tax Credit and Child Tax Credit [here](#)
- Additional Round of Direct Payments [here](#)
- Education Relief Funding [here](#)
- Emergency Rental Assistance [here](#)
- FEMA Disaster Relief Fund Estimates [here](#)
- Child Care and CCDBG [here](#)
- Head Start [here](#)
- Transit Relief for Urbanized Areas [here](#)
- Rural Transit [here](#)
- Paratransit [here](#)
- Enhanced and Expanded ACA subsidies [here](#) and [here](#)
- Extension of ACA Premium Subsidies to UI Recipients [here](#)
- Incentives for Non-Expansion States to Expand Medicaid, Increased FMAP [here](#), Increased coverage [here](#)

Highlights of Senate changes to the bill below:

- **Extends the Employee Retention Tax Credit (ERTC)** through 12/31/21, adopts the expansions from the December Omnibus, and codifies the ERTC by adding it to the Internal Revenue Code as § 3134. The December 2020 Omni made a handful of expansions to the original CARES ERTC including: increased the credit percentage from 50 to 70; increased the maximum credit from \$10k per employee to \$10k per quarter per employee; extended the credit from 12/31/20 through 6/31/21; and, loosened the gross receipts test from 50 percent (relative to 2019) to 80 percent (relative to 2019).
- \$10 billion **Critical Infrastructure Project program aimed at assisting state, territorial, and tribal governments** with COVID-19 response. Also establishes a requirement that small states receive at least the amount they received under the CARES Act's Coronavirus Relief Fund.

- Makes **higher educational debt forgiveness tax-free** on loans discharged between 12/31/20 and 12/31/25. This will apply to any governmental debt relief during that time period but is also generally drafted to apply to debts discharged by higher educational institutions.
- \$8.5 billion for Provider Relief Fund for rural providers.
- Boost to **COBRA premium assistance** from 85 to 100 percent.
- Allows eligible entities under Save Our Stages program to receive both a PPP loan and Shuttered Venue Operators Grant.
- \$5.5 billion for **school programs**, including summer school and afterschool programs and technology.

Other Resources:

- The National Association of Counties analysis of the Senate bill and calculations for per-county allocations. Analysis [here](#) and calculations found by clicking “Summary of Local Funding in Senate Substitute”.

House-passed text [here](#). House Committee summaries below:

- **Ways and Means:** press release [here](#) (with links to text and section by section summaries), Joint Committee on Taxation summary [here](#)
- **Energy and Commerce:** more details specific to health response funding are [here](#), section by section in the committee memo [here](#), public health text [here](#), Medicaid section text [here](#), CHIP section text [here](#), other provisions text [here](#)
- **Oversight and Reform:** one pager [here](#), committee print [here](#)
- **Education and Labor:** press release [here](#), fact sheet [here](#), section by section [here](#), text [here](#)
- **Small Business:** committee print [here](#), text [here](#)
- **Transportation and Infrastructure:** text [here](#)
- **Financial Services:** committee print [here](#), section by section in the committee memo [here](#), text [here](#)
- **Agriculture:** text [here](#)
- **Veterans Affairs:** text [here](#), section by section [here](#)

Passed Legislation

For past information and guidance and passed legislation, please refer to the [archives](#). For a

summary of all the supplementals that have been passed, please see [here](#).

New Implementation Information and Guidance

- The Treasury Department [announced](#) they have begun sending economic impact payments to individuals as a result of the American Rescue Plan.

Coronavirus Relief Resources

- Department of Health and Human Service COVID-19 Resources page [here](#)
 - Press release on the American Rescue Plan [here](#)
- Food and Drug Administration COVID-19 resources [here](#)
- Small Business Administration COVID-19 Relief Options webpage [here](#)
 - Paycheck Protection Program information [here](#)
 - Recent PPP changes information [here](#)
 - Economic Injury Disaster Loans information [here](#)
 - Express Bridge Loans information [here](#)
 - Shuttered Venue Operators Grants information [here](#)
- IRS COVID Relief page [here](#)
 - Stimulus payment tool [here](#)
 - Stimulus payment FAQ [here](#)
 - Stimulus payment additional resources [here](#)
 - Employer tax credits information [here](#)
 - Tax Relief for Individuals and Families information [here](#)
 - Tax Relief for Businesses and Tax-Exempt Entities information [here](#)
 - Tax Relief for Health Plans and Retirement Plans information [here](#)
- Treasury COVID-19 Relief Page (still being updated from CARES) [here](#)
 - Emergency Rental Assistance Program information [here](#)
 - Emergency Capital Investment Program information [here](#)
 - Small Business Assistance (PPP and EIDL) information, including application forms, FAQs, term sheets [here](#)
 - Payroll support and tax credits/tax deferral information [here](#)
- Department of Labor COVID-19 Resources Page [here](#)
 - OSHA Guidance and Information [here](#)

- Information on paid leave [here](#), which was enacted in the Families First Coronavirus Response Act and extended in the American Rescue Plan
- Unemployment Insurance information [here](#)
- Department of Agriculture Coronavirus Resource page [here](#)
- Press release on the American Rescue Plan [here](#)

David R. Adelman

Principal & Director | Government Affairs