

COMMUNITY RESOURCE



Coronavirus Response & Relief

Supplemental Appropriations Act

SUMMARY

Dec 28, 2020



retail strategies



THE BILL

On December 21, 2020, Congress passed the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (H.R. 133) to provide more than \$900 billion in emergency assistance for individuals, families, non-profits and businesses impacted by the COVID pandemic.

President Trump signed the bill into law on December 27, 2020, allowing relief funding to begin to be distributed across the United States.

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PERSONAL

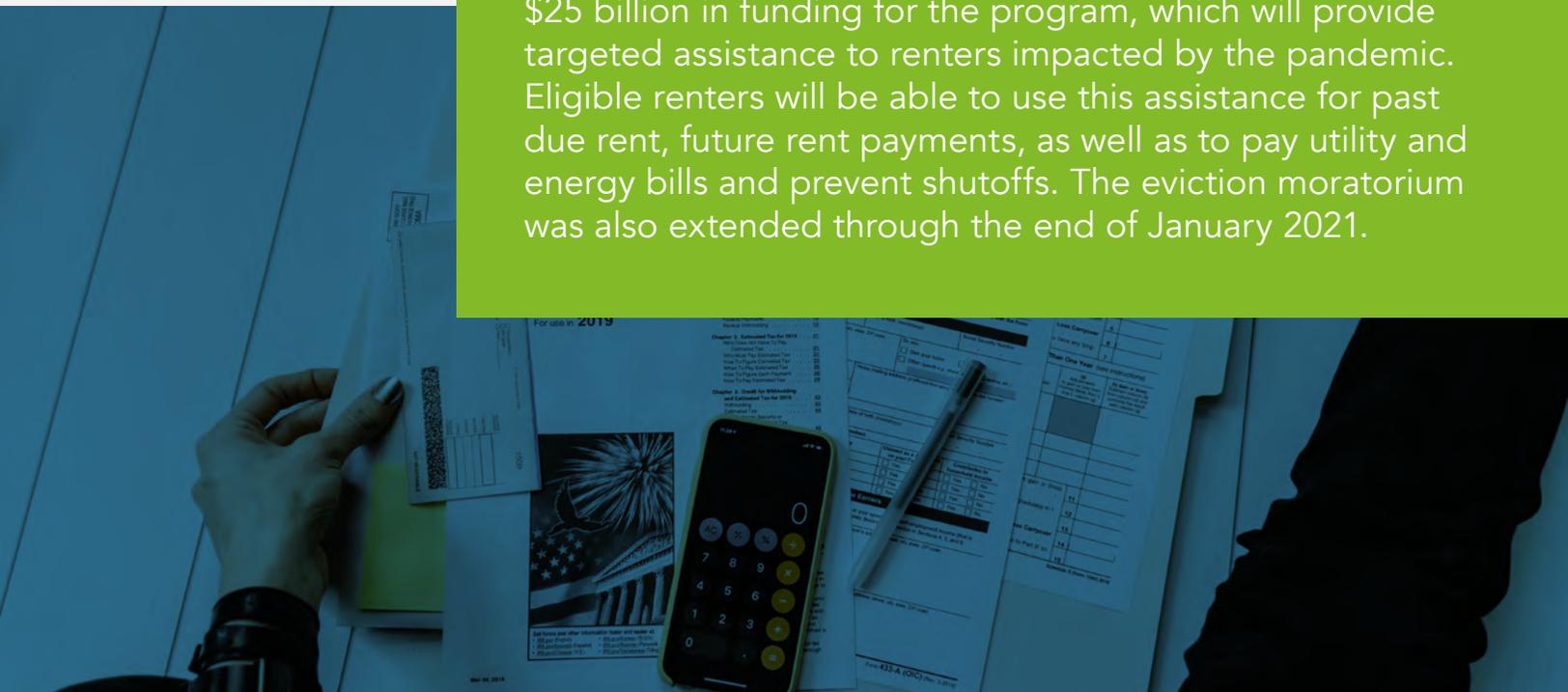
Provisions for Americans & Households

Direct Payments to Americans

Includes another round of stimulus checks of \$600 for individuals who make up to \$75,000 and \$1,200 for couples who make up to \$150,000, as well as an extra \$600 per eligible dependent. The payments will be based on income from 2019 and could arrive as early as the first of January 2021.

Rental Assistance

Creates an emergency federal rental assistance program run by the Treasury Department and administered by state and local governments, based on population. Includes \$25 billion in funding for the program, which will provide targeted assistance to renters impacted by the pandemic. Eligible renters will be able to use this assistance for past due rent, future rent payments, as well as to pay utility and energy bills and prevent shutoffs. The eviction moratorium was also extended through the end of January 2021.



PERSONAL

Provisions for Americans & Households

Unemployment

Extends federally enhanced unemployment benefits at \$300 per week through March 14, 2021. Extends the Pandemic Unemployment Assistance (PUA) program, which provides enhanced benefits to those self-employed, gig workers and others in non-traditional employment through 3/14/21 and offers a phase-out to that program with three weeks of additional benefits.

The legislation would also extend to 50 weeks the amount of time for which workers may claim benefits through both state and federal programs. Most states typically provide 26 weeks of jobless benefits.

The measure also provides an additional \$100-a-week subsidy for workers who have both wage and self-employment income but whose basic unemployment benefits don't take into account their self-employment income.

Universal Charitable Deduction

Includes an extension of the \$300 universal charitable deduction for non-itemizers through 2021 and doubles the cap to \$600 for joint filers.

LOCAL

Small Business Support

\$325 billion allotted to help small businesses includes \$284 billion for first and second forgivable Paycheck Protection Program loans and expands eligibility for local newspapers and TV and radio broadcasters. The bill also includes \$20 billion for Economic Injury Disaster Loans.

The bill requires the Small Business Administration (SBA) to establish regulations on small-business support no later than 10 days after the legislation is signed into law, which would be Wednesday, January 6.

Businesses that received PPP loans would be able to take tax deductions for the expenses covered by forgiven loans.

Paycheck Protection Program

Included are several provisions for first – and second – PPP applicants:

- Loans are available until March 31, 2021 (i.e., deadline to apply for PPP).
- The loan forgiveness process is simplified for loans of \$150,000 or less.
- Organizations with 300 or fewer employees that can demonstrate a revenue decline of at least 25-percent in any quarter in 2020 over the same quarter in 2019 can receive a second PPP loan of up to \$2 million.
- \$35 billion of PPP funds are reserved for first time loan recipients.
- Forgiven PPP loans will not be classified as income and tax deductions are now allowed for expenses paid with proceeds of forgiven PPP loans.



LOCAL

Small Business Support

Non-Profit Eligibility

Beginning early 2021, 501(c)(6) nonprofits can apply for PPP loans under the following criteria:

- The organization does not receive more than 15 percent of receipts from lobbying activities
- The lobbying activities do not comprise more than 15 percent of total activities
- The cost of lobbying activities of the organization did not exceed \$1,000,000 during the most recent tax year that ended prior to February 15, 2020; and
- The organization has 300 or fewer employees

Economic Injury Disaster Loans (EIDL)

Additional \$20 billion added to the EIDL Program. These loans provide eligible applicants with favorable 30-year loans accompanied by forgivable grants, as an advance, of up to \$10,000. Payments on these loans are deferred for a year. Applicants must employ 500 or fewer employees and demonstrate a working capital loss due to COVID.



LOCAL

Small Business Support

Payroll Tax Deferral

Employers that utilized the payroll tax deferral executive order issued in September would now have until the end of 2021 to pay back deferred taxes, rather than the end of April.

Employee Retention Tax Credit (ERTC)

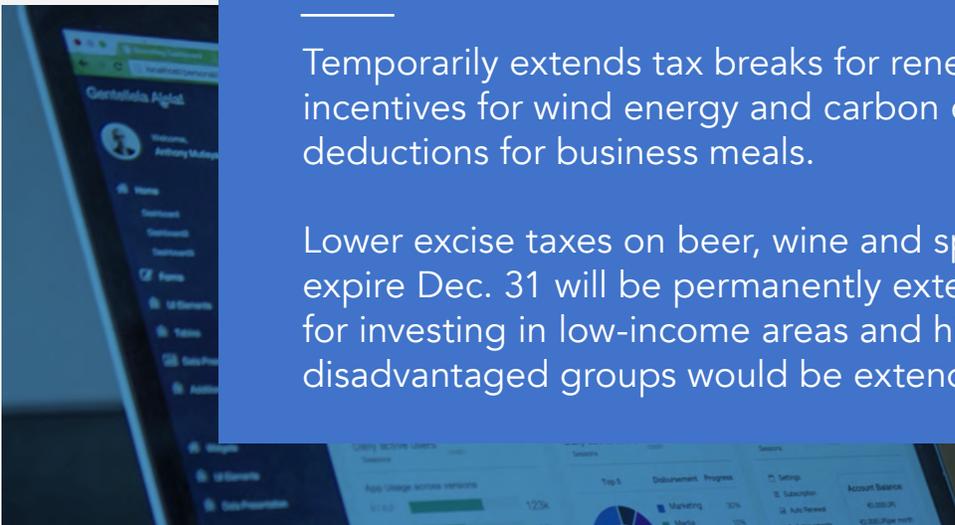
Extends the refundable tax credit starting January 1, 2021 through July 1, 2021 and significantly expands access:

- Increases the limit on per-employee creditable wages from \$10,000 for the year to \$10,000 for each quarter;
- Increases the credit rate from 50 percent to 70 percent of qualified wages;
- Expands eligibility by reducing the required year-over-year decline in gross receipts from 50 percent to 20 percent

Other Tax Provisions

Temporarily extends tax breaks for renewable energy, including incentives for wind energy and carbon capture and includes deductions for business meals.

Lower excise taxes on beer, wine and spirits that were set to expire Dec. 31 will be permanently extended, and tax incentives for investing in low-income areas and hiring workers from disadvantaged groups would be extended for five years.



MIXED

Other Provisions

Health & Vaccines

\$69 billion for vaccines, testing, tracing, and to support community health and health care providers.

Child Care and Development Block Grants (CCDBG)

\$10 billion in federal grants to provide childcare subsidies for low-income families with children under age 13. The CCDBG also allows for flexibility to pair state and federal funds to improve the overall quality of childcare available to families within existing state and local systems. This includes \$250 million for the Head Start program.

Banks

\$12 billion in support to small lenders focused on low-income and minority communities.

Entertainment Venues

\$15 billion for independent movie theaters, live entertainment venues and cultural institutions.



MIXED

Other Provisions

Farms

\$12 billion to crop farmers, cattle ranchers and rural communities. This includes funds to growers that may sell goods at local farmers markets.

Postal Service

\$10 billion forgivable grant to the United States Postal Service, and previous conditions imposed by the Treasury in the CARES Act would no longer apply.

Other

- Transportation: \$45 billion
- Education: \$82 billion
- Nutrition and agriculture: \$26 billion
- Community development: \$12 billion
- Broadband access: \$7 billion

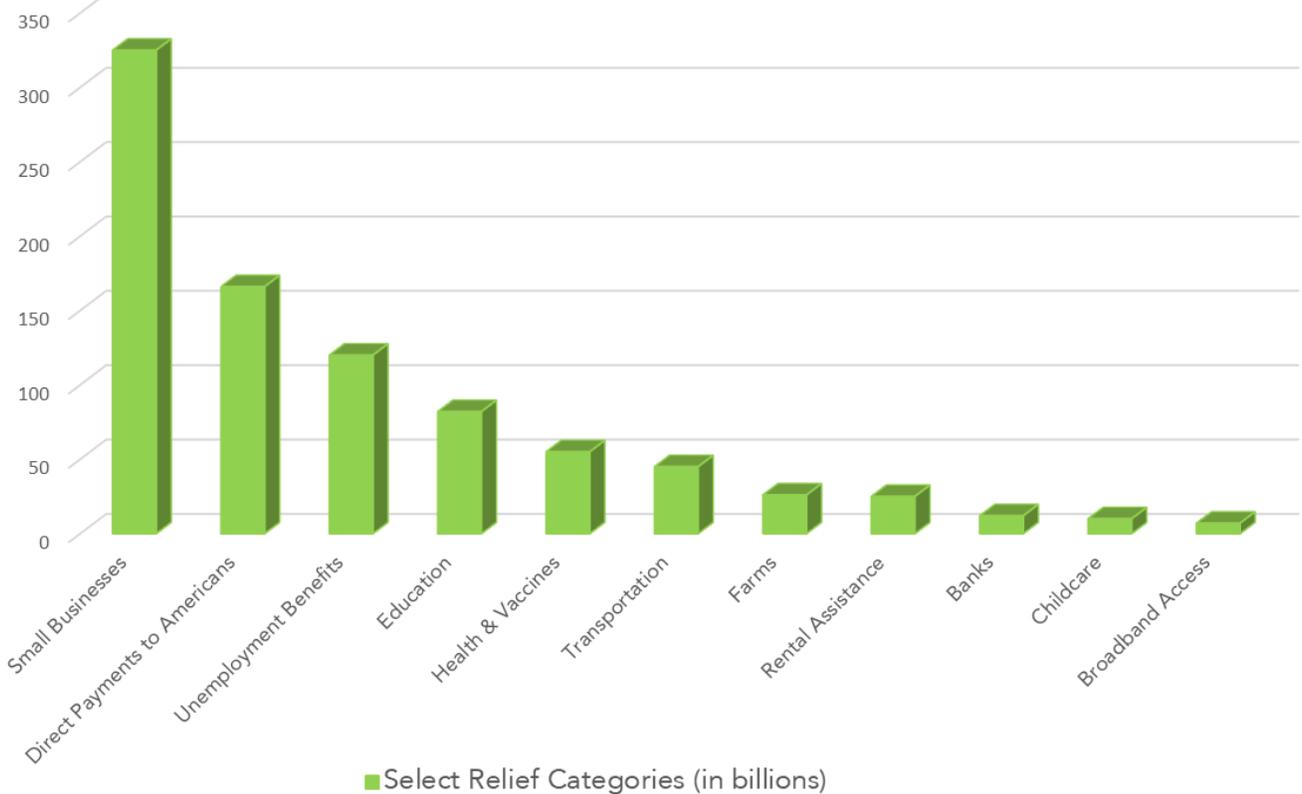


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BREAKDOWN

2021 COVID-19 Relief Bill Allocation

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As we begin 2021 our mission is to help communities and small businesses grow and overcome challenges brought forth by the pandemic.



About Us:

Retail Strategies is a full-service retail consulting firm. We also offer Downtown Strategies to aid in developing local hubs, and Retail Academy to help communities learn best practices for retail recruitment.

retailstrategies.com