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COVID-19 Legislative Update

December 21, 2020

As a deal on the fourth COVID package has been reached, **this update will pause until congressional leaders engage on another COVID package. Have a happy, healthy, and safe holiday season.** For past updates, click [here](#). For updates before May 8, click [here](#). If you believe you have been accidentally unsubscribed, you can re-subscribe [here](#).

12.21.2020. COVID-19 Legislative Update

Legislation

Supplemental IV

Timeline: We have reached the finish line. **On Sunday, Speaker Pelosi and Leader McConnell announced a deal had been struck on a COVID-package.** Earlier this evening, the House passed the bill 359-53. Moments ago, the Senate passed the bill 91-7. The President is expected to sign the bill. Congress passed a 7-day stopgap yesterday to allow for the bill to be enrolled, as it is expected to take multiple days to enroll given its size (it's reportedly the [longest](#) bill in American history).

Process/Politics: Over the last couple days we've seen some fireworks that threatened to blow up (or further delay) the package. Last Friday, Sen. **Hawley** [said he would block any CR if direct assistance was not in the COVID relief bill](#). After leadership assured him it was in the bill, he [backed](#) down. The Senate was then able to pass the 2-day stopgap and avert a government shutdown.

As four corners continued to say they were close and moving closer, Sen. **Toomey raised concerns over the Federal Reserve's ability to loan money to states and municipalities**, [asserting](#) that they could be used to circumvent Congress on fiscal policy. Late Saturday night, Leader Schumer reached a compromise with Sen. Toomey, where four lending facilities created by the CARES Act would be closed and identical programs could not be stood up without congressional action.

for final negotiations. **Once a deal was reached on Sunday afternoon, there remained the task of compiling the text.** There was some hope that they would be able to pass the bill yesterday but delays on text pushed votes to today. **The House instead passed a one-day CR and 7-day stop gap to prevent a government shutdown**, with the promise of votes on the end of year package today. The Senate passed the CR yesterday by hotline and passed the 7-day stop gap by voice vote before voting on the end of year package. Earlier this evening, the House passed the bill [359-53](#). A large majority of the no votes came from House Republicans. The Senate passed the bill 91-7.

Policy: After facing delays from [printing](#) and [uploading](#) issues, the text of the end of the year package was released this afternoon. The entire bill includes the 12 fiscal year 21 appropriations bills, the COVID relief package, a tax package, an energy package, the Water Resources Development Act, and other miscellaneous bills. **Division M and N of the 5,593-page bill include the COVID package**, with Division M dedicated to the package's appropriations and Division N dedicated to the authorizations. **House Appropriations Majority Division-by-Division/Section-by-Section summary of COVID package provisions** [here](#). Text [here](#). Highlights and Committee summaries below.

Committee summaries below:

- [Ways and Means](#) majority Economic Impact Payments FAQ [here](#), summary of health-related provisions in the entire bill [here](#), Unemployment Insurance Section by Section [here](#)
- [Ways and Means](#) minority summary of end of year legislation [here](#)
- [Energy and Commerce](#) minority summary [here](#)
- [Small Business Committee](#) (same for House and Senate) section by section [here](#)
- [Senate Small Business](#) majority summary [here](#)
- [House Small Business](#) majority summary [here](#)
- [Financial Services](#) majority Eviction Moratorium one pager/FAQ [here](#), CDFI/MDI provisions one pager [here](#)
- [Education and Labor](#) majority fact sheet [here](#)
- [House Agriculture](#) majority section by section [here](#)

Division N – Coronavirus Package

Healthcare (Title I) – Senate GOP Policy Committee summary [here](#), Energy and Commerce minority summary [here](#)

- 3.75 percent increase for **Medicare Physician Fee Schedule** providers through 2021 (Section 101).
- Extends temporary **Medicare sequestration** through March 31, 2021 (Section 102).
- The below are referenced in Division N (Coronavirus Appropriations) and not the authorizing section.
 - \$8.75 billion for **CDC** to distribute to state, local, tribal, and territorial public health agencies for vaccine distribution, \$4.5 billion to go directly to public

- \$3 billion for the **Strategic National Stockpile**.
- \$22 billion in grants to states for **testing/tracing/COVID mitigation**, \$2.5 billion reserved for improve testing/contact tracing in high-risk and underserved populations.
- \$3 billion for grants to providers for health care related expenses and lost revenue through the **Provider Relief Fund**.
- \$4.25 billion for **mental health and substance abuse** support.
- \$10 billion for **Child Care** and Development Block Grants for child care providers.
- \$1 billion for **Indian Health Service** (\$210 million from CDC for vaccine distribution and \$790 million for testing/tracing).

Assistance to Individuals, Families, and Business (Title II) – Ways and Means majority UI section by section [here](#), Ways and Means majority Economic Impact Payments FAQ [here](#), Senate GOP UI summary [here](#), Senate GOP UI section by section [here](#), Senate GOP Tax section by section [here](#)

- **\$300/week for unemployment insurance** through March 14, 2021 (Sec. 203).
- Extends both the Pandemic Unemployment Assistance (PUA) program (Sec. 201) and Pandemic Emergency Unemployment Compensation (PEUC) program (Section 206):
 - **Increases the maximum number of weeks** individuals may receive benefits (for PUA increase is 39 to 50, for PEUC increase is 13 to 24),
 - Creates a phase out of benefits (allows individuals who have not reached the maximum number of weeks of benefits to continue receiving benefits through April 5, 2021),
 - Adds documentation requirements for new applicants to PUA, requires states to verify applicants' identities (Sec. 241, 242).
- \$166 for **direct stimulus payments**, \$600 for individuals or \$1,200 for those filing jointly, with an income phase out at \$75,000 for single-filers and \$150,000 for those filing jointly (same phase out as CARES). Additional \$600 per each child (does not include adult dependents), (Sec. 272).
 - Retroactively expands eligibility for direct stimulus payments to mixed-status households.
- Extends the period by which employers can **defer payroll taxes** to April 30, 2021 and paid back by January 1, 2022 (Sec. 274).
- Allows PPE and other COVID-19 related supplies to be eligible for the **educator expense deduction**, retroactive to March 12, 2020 (Sec. 275).
- Allows expenses paid for with **loans from the Paycheck Protection Program to be tax deductible** and excludes PPP loans that are forgiven from gross income (Sec. 276).
- Extends refundable **payroll credits for paid sick and family leave** that were included in FFCRA through March 31, 2021, allows self-employed individuals to use 2019 income rather than 2020 income to compute the credit (Section 286, 287)

section by section [here](#), Senate Small Business Committee majority summary [here](#), House Small Business majority summary [here](#)

- \$284 billion for the Paycheck Protection Program, including:
 - Creates program for businesses to receive a **second PPP loan**, called “PPP second draw”, and eligible businesses must:
 - Have 300 or fewer employees,
 - Have or will use the full amount of their first PPP loan,
 - Show at least 25% reduction in income over a quarter in 2020 compared with same quarter in 2019.
 - Maximum loans are \$2 million.
 - **Set-asides** (which the Secretary can alter after 25 days) for:
 - \$35 billion for first time borrowers, \$15 billion of which reserved for businesses with 10 or fewer employees and loans under \$250,000 in low-income areas.
 - \$25 billion for second draw PPP loans for businesses with 10 or fewer employees and loans under \$250,000 in low-income areas.
 - \$15 billion for CDFIs and MDIs.
 - \$15 billion for PPP loans issued by certain small depository institutions.
 - **Expanded eligibility** for news organizations, **certain 501(c)(6)s**, and Designated Marketing Organizations.
 - **Expands eligible expenses** to include software, cloud computing, other HR/accounting needs, property damage not covered by insurance, supplier costs from prior to taking out the loan, PPE and investments the help the loan recipient comply with relevant COVID-19 government guidelines. Expansions are retroactive, except for those who have already had their loans forgiven.
 - Prohibits use of loan for lobbying activities.
 - Creates simplified application process for loans under \$150,000.
 - Prohibits entities that receive a grant under the venue grant program from receiving a PPP loan. Prohibits publicly traded companies from eligibility for PPP loans (Section 342).
- \$15 billion for a **new grant program for Shuttered Venue Operators** (live events venues, theaters, museums etc.) that demonstrate at least 25% reduction in revenue.
 - \$2 billion set aside for businesses with 50 or fewer full-time employees.
 - First two weeks of the program will only award grants to entities that have seen 90% or greater revenue loss, second two weeks will award grants to entities that have seen 70% or greater revenue loss. After those two periods, grants available to all other entities.
- \$20 billion for new EIDL grants in low-income communities (Sec. 331).

Transportation (Title IV) – Energy and Commerce minority summary [here](#), Senate GOP Commerce Committee provisions summary [here](#)

- To receive funding, requires air carriers/contractors recall furloughed employees, provide backpay, refrain from layoffs or furloughs/reducing pay and benefits until March 31, 2021, and not purchase stock buybacks or pay dividends until March 31, 2021 (Sec. 404).
- Places limits on executive compensation until October 1, 2022 (Sec. 406).
- \$2 billion for **motorcoach, school bus, and ferry industries**.
- The below are referenced in Division N (Coronavirus Appropriations) and not the authorizing package.
 - \$14 billion for **transit**,
 - \$10 billion for **state departments of transportation**,
 - \$2 for airports and airport concessionaires,
 - \$1 billion for Amtrak.

Banking (Title V) – Financial Services Majority Eviction Moratorium one pager/FAQ [here](#),
Financial Services Majority CDFI/MDI provisions one pager [here](#)

- \$26.2 billion for **rental assistance** to be administered by states (DC treated as a state), territories, and tribes (Section 501).
 - Eligible households must have a household income at or lower than 80 percent of Area Median Income (AMI), are at risk of housing instability or homelessness, and qualify for unemployment benefits or have experienced financial hardship related to the pandemic.
 - Priority is given to lower income households and those that have been unemployed longer than 90 days.
- Extends CDC **eviction moratorium** until January 31, 2021.
- \$12 billion for CDFIs and MDIs:
 - \$9 billion dedicated for the Emergency Capital Investment Program for low-cost, long-term capital to depository MDIs and CDFIS (Sec. 522), and
 - \$3 billion for the CDFI fund (\$1.25 billion for current fiscal year, of the remaining \$1.75 billion, \$1.2 billion is reserved for “minority lending institutions”) (Sec. 523).

(Education) and Labor (Title VI) – Education and Labor majority fact sheet [here](#)

- Waives certain statutory requirements for Jobs Corps students (Sec. 601).
- The below are referenced in Division N (Coronavirus Appropriations) and not the authorizing package.
 - \$82 billion for **Education Stabilization Fund** for states, school districts, higher ed.
 - \$4.1 billion for Governors Emergency Education Relief Fund, with a \$2.75 billion set aside for private schools.
 - \$54.3 billion for K-12, includes new allowable uses for funds.
 - \$22.7 billion for **higher education**, including

- \$908 million for for-profit colleges for the explicit purpose of financial aid to students.
- \$1.7 billion set aside for HBCUs, tribal colleges, MSIs,
- \$113 million for institutions with unmet needs or exceptions to formula.
- \$819 million for Bureau of Indian Education.

Nutrition and Agriculture (Title VII) – House Agriculture Committee majority section by section [here](#)

- Increases SNAP benefit 15% through June 30, 2021. Excludes Pandemic Unemployment Compensation from being counted as income for SNAP.
- \$614 million for nutrition assistance for Puerto Rico and America Samoa.
- \$400 million for The Emergency Food Assistance Program (TEFAP) through September 30, 2021.
- \$175 million for Older Americans Act nutrition programs, including \$7 million for tribal programs.
- \$400 million to pay for milk to be processed into dairy products and donated to non-profit entities (Sec. 762).

Postal Service (Title VIII)

- Allows USPS to borrow up to \$10 billion from Treasury.
- Allows money provided to USPS under the CARES Act to not have to be repaid.

Broadband (Title IX) – Energy and Commerce minority summary [here](#), Senate GOP Commerce Committee provisions summary [here](#)

- Expands eligibility for **rip and replace** program (Sec. 901).
- Establishes Office of Minority Broadband Initiatives at NTIA, appropriates \$285 million for a pilot program focused on awarding grants to education institutions and other organizations that serve minority communities (Sec. 902).
- \$250 million for the FCC's **COVID-19 Telehealth Program** (Sec. 903).
- \$3.2 billion to establish an **emergency broadband benefit program** at the FCC where eligible households receive a discount on internet service and subsidies for internet-connected devices (Sec. 904). Eligible households include those with:
 - Children who qualify for free/reduced lunch,
 - Pell Grant recipients,
 - Recently laid off/furloughed workers,
 - Individuals who qualify for Lifeline,
 - Individuals who qualify for low-income/COVID discount programs offered by ISPs.
- \$1 billion for NTIA grant program for **broadband on tribal land** (Sec. 905).

consumers (Sec. 905).

- \$65 million for FCC broadband mapping, \$1.9 billion for rip and replace.

Misc (Title X)

- Extends deadline by which governments must spend the distributed money from the **Coronavirus Relief Fund** to December 31, 2021. Does not add flexibility or additional funding (Sec. 1001).
- Recissions of the unobligated amounts at Treasury and Federal Reserve appropriated under the CARES Act. Prohibits Exchange Stabilization Funds from being used to create identical current Fed facilities that received CARES Act support (Sec. 1003).

See below for **tax provisions** that were **included in earlier drafts of COVID legislation that were included in the final bill**, though not in the COVID package. Ways and Means summary [here](#).

- New Markets Tax Credit (**NMTC**),
- Work Opportunity Tax Credit (**WOTC**),
- **Earned Income Tax Credit (EITC)** and **Child Tax Credit (CTC)** – individuals claiming the 2020 credits are allowed to measure their income on their 2019 return rather than their 2020 return if it would lead to a better credit result.
- Permanent expansion of the **Low-Income Housing Tax Credit (LIHTC)** including a 4% floor.
- Expansion of the CARES **Employee Retention Tax Credit (ERTC)** (Wyden summary [here](#)).
- One-year extension of the CARES non-itemizer **charitable contribution deduction** policy, at the CARES \$300 limit for single-filers.
- Two-year version of Sen. Scott **meals deduction proposal** allowing 100-percent deduction for business meal expenses.

Passed Legislation

Moving forward, this section will only include new information and guidance. For past information and guidance and passed legislation, please refer to the [archives](#). For a summary of all supplementals, please see [here](#).

New Implementation Information and Guidance

- There has been no new information and guidance since the previous update.

Members of Congress in Quarantine or Treatment (new additions in bold)

Tested Positive (Z): Rep. Robert Aderholt (R-AL), Rep. Ken Calvert (R-CA), Rep. Barry Loudermilk (R-GA), Rep. Devin Nunes (R-CA), Rep. Joe Wilson (R-SC), Rep. Mike Rogers

FL), Rep. Joe Cunningham (D-SC), Sen. Rand Paul (R-KY), Rep. Mike Kelly (R-PA), Rep. Nydia Velazquez (D-NY), Rep. Neal Dunn (R-FL), Rep. Tom Rice (R-SC), Rep. Morgan Griffith (R-VA), Rep. Louie Gohmert (R-TX), Rep. Raúl Grijalva (D-AZ), Rep. Rodney Davis (R-IL), Sen. Bill Cassidy (R-LA), Rep. Dan Meuser (R-PA), Rep. Jenniffer Gonzalez-Colon (R-Puerto Rico at large), Rep. Jahana Hayes (D-CT), Sen. Mike Lee (R-UT), Sen. Thom Tillis (R-NC), Sen. Ron Johnson (R-WI), Rep. Salud Carbajal (D-CA), Rep. Mike Bost (R-IL), Rep. Bill Huizenga (R-MI), Rep. Drew Ferguson (R-GA), Rep. Don Young (R-AK), Sen. Rick Scott (R-FL), Rep. Tim Walberg (R-MI), Rep. Cheri Bustos (D-IL), Sen. Chuck Grassley (R-IA), Rep. Ed Perlmutter (D-CO), Rep. Dan Newhouse (R-WA), Rep. Doug Lamborn (R-CO), Sen. Kelly Loeffler (R-GA), Rep. Brian Steil (R-WI), Rep. Joe Courtney (D-CT), Rep. Virginia Foxx (R-TX), Rep. Rep. Susie Lee (D-NV), Rep. Austin Scott (R-GA), Rep. Ted Budd (R-NC)

Currently Self-Quarantined (1): Rep. Anna Eshoo (D-CA)

Completed Quarantine (49): Sen. Ted Cruz (R-TX), Sen. Lindsay Graham (R-SC), Rep. Don Beyer (D-VA), Rep. Sharice Davids (D-KS), Rep. Doug Collins (R-GA), Rep. Paul Gosar (R-AZ), Sen. Cory Gardner (R-CO), Rep. Matt Gaetz (R-FL), Rep. Jason Crow (D-CO), Rep. Julia Brownley (D-CA), Rep. Ben Ray Luján (D-NM), Rep. Gwen Moore (D-WI), Rep. Stephanie Murphy (D-FL), Rep. John Yarmuth (D-KY), Rep. Adam Schiff (D-CA), Rep. Vincente Gonzalez (D-TX), Rep. David Schweikert (R-AZ), Rep. Anthony Brindisi (D-NY), Rep. David Price (D-NC), Rep. Ann Wagner (R-MO), Rep. Kathleen Rice (D-NY), Rep. Matt Cartwright (D-PA), Rep. Tom Cole (R-OK), Rep. Steve Scalise (R-LA), Rep. Frederica Wilson (D-FL), Rep. Andy Kim (D-NJ), Rep. Kendra Horn (D-OK), Sen. Mike Lee (R-UT), Sen. Mitt Romney (R-UT), Rep. Katie Porter (D-CA), Rep. Seth Moulton (D-MA), Rep. Lizzie Fletcher (D-TX), Rep. Josh Gottheimer (D-NJ), Rep. Ayanna Pressley (D-MA), Rep. Mikie Sherrill (D-NJ), Sen. Lamar Alexander (R-TN), Rep. Randy Weber (R-TX), Rep. Kay Granger (R-TX), Rep. Mike Johnson (R-LA), Rep. Jody Hice (R-GA), Rep. Guy Reschenthaler (R-PA), Sen. Shelley Moore Capito (R-WV), Rep. Lisa Blunt Rochester (D-DE), Sen. Ben Sasse (R-NE), Sen. James Lankford (R-OK), Sen. Ted Cruz (R-TX), Rep. Mike Johnson (R-LA), Sen. Kamala Harris (D-CA), Rep. Mark Pocan (D-WI)



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