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This afternoon, the U.S. House of Representatives approved the \$1.9 COVID relief package, known as the American Rescue Plan Act of 2021 (the “Act”), as amended by the Senate last weekend. The bill will now go to President Biden’s desk, who is expected to sign the legislation. The relief package includes numerous programs across various economic sectors. The full text of the Act is available [here](#). Below is an overview of key programs included in the Act.

## **Paycheck Protection Program**

While the Act does include some additional PPP funding, the program takes a noticeably smaller role in this package. An additional \$7.5 billion is made available to the program, and eligibility is expanded to include various not-for-profit entities. The current application deadline of March 31, 2021 will remain in place.

## **Direct Stimulus Payments**

Much like the CARES Act, certain individuals will receive direct stimulus payments. Individuals making under \$75,000 and couples making under \$150,000 will receive \$1,400 per person. The bill also provides \$1,400 per dependent. Payments will phase out completely for individuals making \$80,000 or couples making \$160,000.

## **Expanded Unemployment Benefits**

The bill extends unemployment programs through early September, which includes the \$300 per week federal supplements passed in December. The bill also exempts \$10,200 of unemployment benefits received in 2020 from federal income taxes.

## **Child Tax Credit**

The Act temporarily expands the child tax credit from \$2,000 up to \$3,600 per child up to five years old and \$3,000 per child ages six through seventeen.

## **Relief for States, Local Governments, and Schools**

The Act includes \$350 billion for states and local governments, and roughly \$130 billion for schools.

## **Business Relief**

- **Support for Restaurants:**

The Act creates a \$25 billion Restaurant Revitalization Fund (RRF), intended to support businesses in the food sector. RRF support is also available to food trucks, food stands, caterers, lounges, inns, and various other facilities that serve alcoholic beverages.

Under the RRF, restaurants can obtain grants equal to the pandemic-related revenue loss of the eligibility, capped at \$10 million per entity or \$5 million per physical location. The grants are calculated by subtracted 2020 revenue from 2019 revenue. Funds may be used to pay for eligible expenses, including, payroll costs; principal and interest payments on a mortgage, not including any prepayments on principal; rent payments, not including prepayments; utilities; maintenance

expenses including construction to accommodate outdoor seating and walls, floods, deck surfaces, furniture, fixtures, and equipment; supplies including personal protective equipment and cleaning materials; food and beverage expenses within the eligible entity's scope of normal business practice before the covered period, which runs from Feb. 15, 2020, through Dec. 31, 2021, or another date as determined by the SBA; covered supplier costs; operational expenses; paid sick leave; and any other expenses the SBA determines to be essential to maintaining the eligible entity.

\$5 billion is reserved for applicants with 2019 gross receipts of \$500,000 or less.

- **EIDL Advances**

The Act sets aside \$15 billion for targeted EIDL Advance grants to business in low-income communities with no more than 300 employees and that have experienced an economic loss of more than 30% between March 2, 2020 and December 31, 2021, relative to a comparable eight-week period prior to March 2, 2020.

The Act calls for the SBA to open a series of two-week application periods, to begin no later than 14 days after the Act is enacted, for applicants who previously applied but did not receive the full amount due to lack of funds. After the expiration of those application periods, first-time applicants can apply.

- **Other Industry Support**

The Act includes various other industry support packages, including \$1.25 billion for the SBA's Shuttered Venue Operators Grant Program, \$30 billion for transit costs, \$8 billion for airports, \$3 billion for aerospace manufacturing, \$1.5 billion for Amtrak, and \$15 billion for the airline industry.

### **Affordable Care Act**

The Act temporarily increases subsidies for insurance under the Affordable Care Act's marketplaces. The legislation also allows employees who have lost their jobs to keep COBRA benefits through September.

### **Rental Assistance**

The Act provides \$25 billion for emergency rental assistance, including \$5 billion for emergency housing vouchers for people experiencing homelessness.

### **Minimum Wage**

While initially included in the House bill, the minimum wage increase and changes to the tip credit were removed to comply with Senate budget reconciliation rules. The initial legislation would have increased the minimum wage and changed the tip-credit rules.

For more information on this loan program, please review our COVID-19 Resources page here: <https://www.gill-law.com/covid-19-resources/#>