**Partial Summary: The Coronavirus Aid, Relief, and Economic Security Act**

**Support for Small Business & Economic Development**

**Paycheck Protection Program**

The stimulus includes nearly $350 billion in funding for a provision to create a Paycheck Protection Program (PPP) that will provide small businesses and other entities with zero-fee loans of up to $10 million. Up to 8 weeks of average payroll and other costs will be forgiven if the business retains its employees and their salary levels. Principal and interest is deferred for up to a year and all borrower fees are waived. This temporary emergency assistance through the U.S. Small Business Administration (SBA) and the Department of Treasury can be used in coordination with other COVID-financing assistance established in the bill or any other existing SBA loan program.

**Emergency Economic Injury Grants**

The stimulus includes $10 billion in funding for a provision to provide an advance of $10,000 to small businesses and nonprofits that apply for an SBA economic injury disaster loan (EIDL) within three days of applying for the loan. EIDLs are loans of up to $2 million that carry interest rates up to 3.75 percent for companies and up to 2.75 percent for nonprofits, as well as principal and interest deferment for up to 4 years. The loans may be used to pay for expenses that could have been met had the disaster not occurred, including payroll and other operating expenses.

The EIDL grant does not need to be repaid, even if the grantee is subsequently denied an EIDL, and may be used to provide paid sick leave to employees, maintaining payroll, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments. Eligible grant recipients must have been in operation on January 31, 2020. The grant is available to small businesses, private nonprofits, sole proprietors and independent contractors businesses, as well as cooperatives and employee-owned businesses.

A business that receives an EIDL between January 31, 2020 and June 30, 2020 as a result of a COVID-19 disaster declaration is eligible to apply for a PPP loan or the business may refinance their EIDL into a PPP loan. In either case, the emergency EIDL grant award of up to $10,000 would be subtracted from the amount forgiven in the payroll protection plan.

**Debt Relief for Existing and New SBA Borrowers**

The stimulus includes $17 billion in funding for a provision to provide immediate relief to small businesses with standard SBA 7(a), 504, or microloans. Under this provision, SBA will cover all loan payments for existing SBA borrowers, including principal, interest, and fees, for six months. This relief will also be available to new borrowers who take out an SBA loan within six months after the President signs the bill. The measure also encourages banks to provide further relief to small business borrowers by allowing them to extend the duration of existing loans beyond existing limits; and enables small business lenders to assist more new and existing borrowers by providing a temporary extension on certain reporting requirements. While SBA borrowers are receiving the six months debt relief, they may apply for a PPP loan that provides capital to keep their employees on the job. The six months of SBA payment relief may not be applied to payments on PPP loans. The stimulus also includes a permanent fix that allows SBA to waive fees for veterans and their spouses in the 7(a) Express Loan Program, regardless of the President’s budget. Under current law, SBA may only waive fees on 7(a) Express loans to veterans when the President’s budget does not project a cost above zero for the overall 7(a) loan program.

**Employee Retention Credit for Employers Subject to Closure or Experiencing Economic Hardship Due to COVID-19.**

This provision would provide a refundable payroll tax credit for 50 percent of wages paid by eligible employers to certain employees during the COVID-19 crisis. The credit is available to employers, including non-profits, whose operations have been fully or partially suspended as a result of a government order limiting commerce, travel or group meetings. The credit is also provided to employers who have experienced a greater than 50 percent reduction in quarterly receipts, measured on a year-over-year basis.

Wages of employees who are furloughed or face reduced hours as a result of their employers’ closure or economic hardship are eligible for the credit. For employers with 100 or fewer full-time employees, all employee wages are eligible, regardless of whether an employee is furloughed. The credit is provided for wages and compensation, including health benefits, and is provided for the first $10,000 in wages and compensation paid by the employer to an eligible employee. Wages do not include those taken into account for purposes of the payroll credits for required paid sick leave or required paid family leave, nor for wages taken into account for the employer credit for paid family and medical leave (IRC sec. 45S).

The Secretary of the Treasury is granted authority to advance payments to eligible employers and to waive applicable penalties for employers who do not deposit applicable payroll taxes in anticipation of receiving the credit. The credit is not available to employers receiving Small Business Interruption Loans.

**Economic Development Administration (EDA) –** The bill provides $1.5 billion for economic adjustment assistance to help revitalize local communities after the pandemic. EDA assistance can be used to help rebuild impacted industries such as tourism or manufacturing supply chains, capitalize local funds to provide low-interest loans to businesses of all sizes, and support other locally-identified priorities for economic recovery. Based on the impact of prior funding packages, EDA disaster assistance will leverage an additional $20 billion in local and private investment and support more than 100,000 American jobs.

**Support for Manufacturing** – $50 million is provided for the Hollings Manufacturing Extension Partnership to help small- and medium-sized manufacturers recover by finding value within the supply chain and expanding markets. For every one dollar of federal investment, MEP generates $27.20 in new sales growth for manufacturers. The bill also includes an additional $10 million for the National Institute for Innovation in Manufacturing Biopharmaceuticals to support the development and manufacture of new medical countermeasures and biomedical supplies to combat the coronavirus.

**Unemployment assistance & relief and labor provisions**

**Pandemic Unemployment Assistance**

This provision would create a new program modeled on Disaster Unemployment Assistance that would provide unemployment benefits to individuals who do not qualify for regular unemployment compensation and are unable to work because of the COVID-19 public health emergency. Pandemic Unemployment Assistance will cover self-employed workers (including gig workers and independent contractors), part-time workers, and those with limited work histories. The changes made in sections 2104 and 2107 to increase the size of regular unemployment benefits and make them available for additional weeks will also apply to benefits received through the Pandemic Unemployment Assistance program. Pandemic Unemployment Assistance will be state-administered but fully federally funded.

**Emergency Increase in Unemployment Compensation**

This provision would add an additional $600 in Federal Pandemic Unemployment Compensation to every weekly unemployment benefit, effective until July 31, 2020. This $600 benefit will be taxable (like regular unemployment benefits), but it will be disregarded in determining Medicaid or CHIP eligibility.

**Individual Provisions - Recovery Rebates for Individuals**

This provision would provide $1,200 for singles and heads of households ($2,400 for married couples filing joints returns). The provision also provides $500 per qualifying child dependent under age 17 (using the rules under the Child Tax Credit). A family of four would receive $3,400.

Rebates phase out at a 5% rate above adjusted gross incomes of $75,000 (single)/ $122,500 (head of household)/ $150,000 (joint). There is no income floor or phase-in – all recipients will receive the same amounts, provided they are under the phase-out threshold.

Tax filers must provide Social Security Numbers (SSN) for each family member claiming a rebate (adoption taxpayer identification numbers accepted for adopted children). An exception on SSN is made for spouses of active military members.

The rebates will be paid out as advance refunds (in the form of checks or direct deposit) on the basis of taxpayers’ filed tax year 2019 returns (or tax year 2018, if a 2019 return has not yet been filed). Non-filers generally need to file a tax return in order to claim a rebate, although IRS may coordinate with other federal agencies in some instances to get checks out.

**Support for Agriculture & Rural Development**

**Commodity Credit Corporation** – The bill includes $14 billion for the Commodity Credit Corporation **Additional Assistance to Producers** – The bill includes $9.5 billion to assist agriculture producers impacted by the coronavirus, including specialty crop producers; producers who support local food systems such as farmers markets, schools, and restaurants; and livestock producers, including dairy.

**Rural Development** – The bill provides $25 million to support the Distance Learning and Telemedicine program. This increase will help improve distance learning and telemedicine in rural areas of America. Additionally, $100 million is provided to the ReConnect program to help ensure rural Americans have access to broadband, the need for which is increasingly apparent as millions of Americans work from home across the country. The bill also includes $20.5 million to support$1 billion in Business and Industry loans.

**Rural Business-Cooperative Service**

Beginning immediately, through July 31, 2020, USDA Business & Industry Loan Guarantees and Rural Energy for America Program (REAP) Guaranteed lenders may assist borrowers experiencing temporary cash flow issues by deferring payments for a period no longer than 120 days.

RBCS intermediary borrowers continue to have authority to service loan portfolios independent of USDA. Intermediary borrowers participating in these programs may approve loan payment deferrals may to their borrowers without USDA approval. These programs are: Intermediary Relending Program (IRP), Rural Business Development Grant (RBDG), Rural Economic Development Loan and Grant (REDL and REDG), Rural Microentrepreneur Assistance Program (RMAP). For existing Intermediary Relending Program (IRP) and Rural Economic Development Loan (REDL) borrowers, the Agency is committed to maintaining well-capitalized intermediary lenders and will work with you on loan servicing requests on a case-by-case basis to make sure you remain a pillar in our rural business communities.

**FEMA Assistance**

**FEMA ASSISTANCE:** On March 13, 2020, President Trump declared a nationwide emergency. Under this Emergency Declaration, all 50 states are eligible for Public Assistance under Category B, Emergency Protective Measures. FEMA will not duplicate assistance provided by HHS, CDC, or other federal agencies. State, territorial, tribal, and local government entities and certain private non-profit organizations are eligible to apply for Public Assistance. FEMA assistance will be provided at a 75 percent federal cost share. If private nonprofits (particularly small ones) in your community are providing Emergency Protective Measures, they may want to consider partnering with state, regional, and local governments. In addition to Public Assistance available under this Emergency Declaration, the State of Vermont may request a Major Disaster Declaration for further Public Assistance under Category B. Additionally, they may be able to apply for certain types of Individual Assistance. For more information, please see FEMA’s Public Assistance Policy Guide. We will be asking FEMA to interpret Category B broadly to encapsulate the many emergency protective measures being taken by local and state entities across Vermont.