



## President Enacts Additional Stimulus Legislation

On December 22, 2020, President Trump **is expected to sign** into law the *Consolidated Appropriations Act, 2021* (CAA2021), which includes \$892 billion in coronavirus stimulus spending. This long-awaited and highly contested piece of legislation ties coronavirus relief funding into a \$1.4 trillion resolution for funding the federal government through September of next year. The nearly \$900 billion in stimulus funds comprises a variety of measures, including a renewal of enhanced unemployment benefits, an extension of the Paycheck Protection Program, and another round of individual stimulus payments. Read on for a breakdown of the various COVID-19 stimulus measures included in CAA2021.

### **BUSINESS MEASURES**

#### **Paycheck Protection Program Extension (PPP2)**

*Portion of the stimulus package: \$284 billion*

CAA2021 provides an additional round of funding for the PPP and expands eligibility to include nonprofits (Sec. 501(c)(6)), local newspapers, TV stations, and radio stations. **Additionally, it ensures the tax deductibility of business expenses paid with loan funds that are forgiven**, a measure that has been widely called for by loan recipients and the American Institute of Certified Public Accountants (AICPA). For further details on PPP2, [click here to read a helpful summary from the \*Journal of Accountancy\*](#).

#### **Economic Injury Disaster Loan Grants**

*Portion of the stimulus package: \$20 billion*

Additional funds to be administered through the Economic Injury Disaster Loan (EIDL) program that are dedicated to businesses in low-income communities.

#### **Farm Aid**

*Portion of the stimulus package: \$13 billion*

Funding for farmers and ranchers.

#### **Support for Entertainment Venues**

*Portion of the stimulus package: \$15 billion*

Funds for struggling live venues, independent movie theaters, and cultural institutions.

### **INDIVIDUAL MEASURES**

#### **Unemployment Benefits**

*Portion of the stimulus package: \$120 billion*

An extension of federal unemployment supplemental benefits through March 14, 2021 at a rate of \$300 per week. Additionally, it legislates an extension of two pandemic unemployment programs set to expire at the end of December, the Pandemic Unemployment Assistance program, which has been expanded to provide aid to self-employed, temporary, and gig workers, and the Pandemic Emergency

Unemployment Compensation Program, which provides an additional 13 weeks of benefits beyond the typical 26 weeks that states provide to jobless workers.

### **Economic Impact Payments**

*Portion of the stimulus package: \$166 billion*

Direct payments of \$600 for qualifying adults and their child dependents. Individuals earning up to \$75,000 annually (or married couples making up to \$150,000) qualify for the full payment; individuals earning between \$75,000 and \$99,000 qualify for a reduced payment; individuals earning more than \$99,000 do not qualify.

## **ADDITIONAL MEASURES**

### **Support for Education Institutions**

*Portion of the stimulus package: \$82 billion*

This money is designated to help schools and universities reopen. The funds are earmarked as follows: \$54 billion for public K-12 schools, \$23 billion for colleges and universities, \$4 billion for the Governors Emergency Education Relief Fund, \$2.75 billion for private K-12 education, and nearly \$1 billion for Native American schools.

### **Funding for Vaccine Distribution and Coronavirus Testing**

*Portion of the stimulus package: \$68 billion*

CAA2021 includes money for both supporting the distribution of coronavirus vaccinations and for helping to pay for costs associated with COVID-19 testing. \$30 billion is directed for the procurement of vaccines and treatments, the funding of distribution for states, and the creation of a strategic stockpile. \$22 billion is earmarked for testing, tracing, and mitigation. Of the remaining funds, \$9 billions will go to healthcare providers and \$4.5 is earmarked for mental health.

## **WHAT'S NOT INCLUDED**

A number of provisions that were initially included in proposed coronavirus stimulus legislation were, ultimately, left out of the bill. These include protection for businesses against litigation regarding COVID-19 exposure, financial aid to state and local governments, and an extension of federal student loan forbearance.

If you have any questions about your unique situation, do not hesitate to give your De Boer, Baumann & Company advisor a call.

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