

New Federal Stimulus Package Passed as Part of Omnibus Spending Bill

As part of omnibus federal spending legislation called the Consolidated Appropriations Act, 2021, the federal government provides approximately \$900 billion in additional coronavirus relief funds. This stimulus package extends or renews a number of programs from the [CARES Act](#) passed in March of this year. The stimulus has passed Congress and signed into law by President Trump.

Key Highlights of the New Bill Include:

- Up to \$600 direct stimulus checks per adult, as well as additional \$600 payments for each dependent child in a qualifying household (similar to the \$1,200 direct payment in the CARES Act). Individuals or couples with higher incomes (beginning at \$75,000 individually, or \$150,000 jointly) will receive smaller or no payments. Treasury officials indicate that direct deposit payments could arrive as soon as the last week of December.
- \$300 per week federal unemployment payments on top of state payments for the eleven weeks between December 26, 2020, and March 14, 2021.
- The new bill also allocates roughly \$284 billion in additional Paycheck Protection Program (PPP) loans for small businesses. Treatment of first-time and second-time borrowers will vary in some respects. Some highlights of the updated PPP program include:
 - A new tiered lender fee structure that varies with the amount of the loan.
 - An expansion of allowable expenses, including certain software purchases, property damage costs from vandalism or public disturbances, and certain expenses incurred in implementing coronavirus protocols in the workplace.
 - Clarification of the tax effects of PPP loan forgiveness, including overriding certain IRS guidance that limited deductibility of expenses related to loan forgiveness.
 - New rules and qualifications, including special requirements for second-draw PPP loans for eligible small businesses that can demonstrate a 25% reduction in revenue in any quarter of 2020 as compared to the same period in 2019.
 - New guidance on which entities are eligible for PPP loans, including certain non-profit organizations, housing cooperatives, veterans organizations, self-employed persons, independent contractors, tribal businesses, small agriculture cooperatives, 501(c)(6) organizations, and destination marketing organizations.
 - Creation of a new, simple, one-page loan forgiveness application for loans under \$150,000.
- \$20 billion in new economic injury disaster loan (EIDL) grants and additional funds allocated for continued Small Business Administration debt relief payments. This includes a process for prior EIDL recipients of less than the maximum emergency grant to receive the full \$10,000 grant, and the law requires the SBA to reimburse EIDL and PPP borrowers the amount deducted from PPP loan forgiveness for an EIDL emergency grant.
- \$15 billion in new relief for live venues, theaters, museums, and movie theaters, including qualifying nonprofit event centers, affected by the pandemic. \$2 billion of this amount is

specifically set aside for small venues or other qualifying entities. Qualifying recipients may be eligible for an additional grant in April 2021 if the virus continues to affect operations.

- An extended eviction moratorium running through January 31, 2021, as well as roughly \$25 billion in funding to state and local governments earmarked for renter and utility assistance programs.
- \$10 billion allocated to assist with child care.
- \$82 billion allocated to education. Most of this will go to public K-12 schools, but a significant portion will also provide assistance to colleges and universities.
- \$13 billion in aid to the Supplemental Nutritional Assistance Program (SNAP) and related programs.
- \$3.5 billion in continued debt relief payments for new and existing small business loans pursuant to 7(a), 504, and Microloans programs.
- \$13 billion to address the impact of the coronavirus on farmers, ranchers, and rural communities.

Now that the bill has become law, the SBA, Treasury, and the IRS will issue additional guidance on the implementation of these stimulus programs, and Fraser Stryker will continue to provide timely guidance.

The entire Consolidated Appropriations Act, 2021 can be found [HERE](#).

Contact Us

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