

U.S. TRAVEL ASSOCIATION®

CORONAVIRUS RELIEF (HR.133) Top Highlights (Divisions M, N, O, U, EE)

Paycheck Protection Program (PPP)

- Provides \$284 billion for PPP and extends the application deadline to March 31, 2021.
- Expands eligibility to both nonprofit and quasi-governmental destination marketing organizations (DMOs) with 300 employees or less (full time and part-time combined), as long as no more than 15% of their activities consist of lobbying activities and they did not spend more than \$1 million on lobbying in 2019.
 - Sets aside at least \$35 billion for eligible recipients that have not previously received a PPP loan.
- Provides a second round of forgivable loans to businesses with 300 employees or less and a 25% decline in revenue in any quarter in 2020, compared to the same quarter in 2019.
- Expands the list of PPP-covered expenses to the cost of supplies and inventory, software and cloud-based services, uninsured damages from public disturbances in 2020, and measures to address COVID-19 health and safety guidelines (i.e. PPE)—in addition to payroll, mortgage debt interest, rent, and utilities.
- Allows borrowers to deduct expenses covered by PPP loans from their taxes.
- Continues to require at least 60% of loan proceeds to be used on payroll, capping covered non-payroll expenses to 40% of the loan.
- Going forward, for both first-time and second-time PPP applicants, the loan amount is based on 2.5x average monthly payroll, up to \$2 million, for each loan.
 - However, for lodging and food services businesses, the loan amount is based on 3.5x average monthly payroll, up to \$2 million.
- Expressly forbids PPP loans to publicly traded companies.

Economic Injury Disaster Loan (EIDL) Program

- Provides \$40 billion to extend Small Business Administration (SBA) EIDL grants through December 31, 2021.
- Sets aside \$20 billion for employers in low-income areas with 300 or less employees, and experiencing at least a 30% economic loss, allowing them to receive a \$10,000 grant, or an amount equal to the difference between what they previously received and \$10,000.
- Removes the requirement for EIDL advances to be deducted from the calculation of PPP loan forgiveness.

Live Venue Grant Program

- Provides \$15 billion for SBA grants to concert venues, performing art centers, theaters, and museums with 500 or less full-time equivalent employees. Eligible employers must demonstrate at least a 25% decline in revenue.
- Recipients are ineligible for PPP loans.
- The grant amount is based on 45% of the employer's gross revenue in 2019, up to \$10 million.

- Grants can only be used on payroll costs, rent, utilities, interest on preexisting debt, maintenance, advertising, insurance payments, theatrical productions, state and local taxes, and measures to address COVID-19 health and safety guidelines (i.e. PPE).

Employee Retention Tax Credit (ERTC)

- Extends the ERTC through July 1, 2021.
- Increases the credit to 70% of compensation paid to employees, up to \$10,000 per quarter per employee for employers experiencing a revenue decline of 20% or more. Under the CARES Act, the credit was worth 50% of compensation, up to \$10,000 for the calendar year, for those experiencing at least a 50% decline in revenue.
- Increases the threshold for employers to be considered small employers, from those with 100 full-time employees or less to those with up to 500 full-time employees or less. This allows more businesses to utilize the credit even if their employees are working.

Coronavirus Relief Fund

- Extends the deadline to use money provided through the Coronavirus Relief Fund until December 31, 2021.

Vaccines, Testing, and Contact Tracing

- Provides \$32 billion for vaccine procurement and distribution.
- Provides \$22 billion to states for testing, contact tracing, and COVID-19 mitigation efforts.

Transportation

- Provides \$2 billion for airports, including:
 - \$1.75 billion in grants for commercial service airports. Funding is distributed using the standard apportionment formulas and enplanement levels, but without Passenger Facility Charge givebacks, double entitlements or grant limits. The funds must be used to prevent, prepare for or respond to COVID-19 and must be spent on costs related to operations, personnel, cleaning and debt service. The CARES Act workforce retention requirements are extended through February 15, 2021.
 - \$200 million for airport concessionaire relief (such as on-airport rental car companies, restaurants or shops) from rent and minimum annual guarantee (MAG) payments. Airports would receive concessionaire grants based on enplanements and the provide rent or MAG relief to concessionaires based on their relative size.
 - \$5 million is for help small communities address air service issues.
- Provides \$2 billion for passenger transportation services, including bus companies and private motorcoaches.
- Provides \$10 billion for highways, including \$9.8 billion is for Surface Transportation Block Grants (STBG) to state DOTs, \$115 million is allocated to the Tribal Transportation Program, \$36 million is allocated to the Puerto Rico Highway Program, and \$9 million is allocated to the Territorial Highway Program.
- Provides \$1 billion for Amtrak to maintain current level of service, prevent additional furloughs, and prevent further reductions to service through the end of March 31, 2021.

- Provides \$14 billion for Transit Infrastructure Grants to prevent, prepare for, and respond to coronavirus.

Troubled Debt Restructuring

- Extends the suspension of certain accounting and reporting requirements for Troubled Debt Restructuring (TDR) through January 1, 2022, making it easier for financial institutions to modify the terms of commercial loans to accommodate a borrower's economic hardship.

Airline Payroll Support Program

- Provides \$15 billion for airlines to cover worker payroll and benefits through March 31, 2021. The funds must be used exclusively for continuing the payment of employee wages, salaries, and benefits. Funds can also be used to rehire workers laid off after September 30, 2020. Recipients must also comply with other CARES Act terms and conditions, including continuation of certain air service deemed necessary by the Secretary of Transportation.
- Provides an additional \$1 billion for airline contractors.

Main Street Lending Program

- Rescinds \$429 billion from CARES Act lending programs administered by the Federal Reserve, including the Main Street Lending Program.

H2B Visas

- Continues the authorization to issue up to approximately 69,000 H-2B visas above the current cap if the Secretary deems employment needs cannot be met with U.S. workers.

Customs and Border Protection (CBP)

- Extends CBP authority to accept donations of property and services at ports of entry.

REAL ID Transition

- Includes the following provisions from the REAL ID Modernization Act:
 - Ensures digital driver's licenses can qualify as REAL-ID compliant,
 - Allows the electronic submission of any identification document needed to obtain a REAL ID, and
 - Requires airlines to notify customers about the REAL ID transition at least 90 days before the enforcement deadline.

Unemployment Insurance

- Requires states receiving funds for extended unemployment benefits to have in effect a method to address any circumstances in which claimants of unemployment compensation refuse to return to work or to accept an offer of suitable work without good cause, including an easy way for employers to report individuals who refuse to work.
- Extends the period nonprofit organizations and governmental entities can reduce their reimbursements to states for unemployment benefits paid to their workers through March 14, 2021. The CARES Act allowed them to reduce their reimbursements by 50% through December 31, 2020.

Business Meal Expense Deduction

- Allows for full deductibility of ordinary business meal expenses incurred in 2021 and 2022.

Payroll Tax Deferral

- Extends the time that employers have to pay back the employee's portion of payroll taxes, as authorized through an executive order, to December 31, 2021.

Other Tax Provisions

- Extends the seven-year depreciation schedule for motorsports facilities through December 31, 2025.
- Makes permanent the tax deduction for energy efficient commercial buildings.
- Extends the tax credit for electric vehicle charging stations through December 31, 2021.