Summary of H.R. 133, Omnibus Appropriations and Emergency Coronavirus Relief

Paycheck Protection Program (PPP)

- **PPP Funding:** Allocates $284 billion to resume the PPP for new and past eligible borrowers.
- **Covered Period for New PPP Loans**: Extends the covered period for all new PPP loans through March 31, 2021.
- **Selection of Covered Period for Forgiveness**: Allows the borrower to elect a covered period ending at the point of the borrower's choosing between 8 and 24 weeks after origination.
- **PPP Loan Expense Deductibility**: This provision clarifies that deductions are allowed for deductible expenses paid with the proceeds of a PPP loan that is forgiven, and that the tax basis and other attributes of the borrower's assets will not be reduced as a result of the loan forgiveness. The provision is effective as of the date of enactment of the CARES Act (March 27, 2020). The provision provides similar treatment for Second Draw PPP loans, effective for tax years ending after the date of enactment of the provision.
- **Additional Eligible PPP Expenses: Authorizes four new categories of eligible PPP expenses for borrowers who have not yet applied for loan forgiveness:**
    - Covered operations expenditures: Payment for any software, cloud computing, and other human resources and accounting needs.
    - Covered property damage costs: Costs related to property damage due to public disturbances that occurred during 2020 that are not covered by insurance.
    - Covered supplier costs: Expenditures to a supplier pursuant to a contract, purchase order, or order for goods in effect prior to taking out the loan that are essential to the recipient's operations at the time at which the expenditure was made. Supplier costs of perishable goods can be made before or during the life of the loan.
    - Covered worker protection expenditure: Personal protective equipment and adaptive investments to help a loan recipient comply with federal health and safety guidelines or any equivalent State and local guidance related to COVID-19 during the period between March 1, 2020, and the end of the national emergency declaration.
- **Increased Ability for PPP Borrowers to Request an Increase in Loan Amount Due to Updated Regulations**: Requires the SBA Administrator to release guidance to lenders within 17 days of enactment that allows borrowers who returned all or part of their PPP loan to reapply for the maximum amount applicable so long that they have not received forgiveness. Additionally, this section allows borrowers whose loan calculations have increased due to changes in interim final rules to work with lenders to modify their loan value regardless of whether the loan has been fully disbursed, or if Form 1502 has already been submitted.
- **Simplified Loan Forgiveness Application:** Creates a simplified application process for loans under $150,000. A borrower will receive forgiveness if a borrower signs and submits to the lender a certification that is not more than one page in length, includes a description of the number of employees the borrower was able to retain because of the covered loan, the estimated total amount of the loan spent on payroll costs, and the total loan amount. The borrower must also attest that they accurately provided the required certification and complied with PPP loan requirements.

- **Paycheck Protection Program "Second Draw" Loans:** Creates a second loan from the Paycheck Protection Program, called a "PPP second draw" loan for smaller and harder-hit businesses, with a maximum amount of $2 million.
    - In order to receive a Paycheck Protection Program loan under this section, eligible entities must:
        a. Employ no more than 300 employees.
        b. Have used or will use the full amount of their first PPP.
        c. Demonstrate at least a 25% reduction in gross receipts in the first, second, or third quarter of 2020 relative to the same 2019 quarter. The bill provides applicable timelines for businesses that were not in operation in Q1, Q2, and Q3, and Q4 of 2019. Applications submitted on or after January 1, 2021 are eligible to utilize the gross receipts from the fourth quarter of 2020.
        d. Eligible entities must be businesses, certain non-profit organizations, housing cooperatives, veterans' organizations, tribal businesses, self-employed individuals, sole proprietors, independent contractors, and small agricultural co-operatives.
    - Loan terms: In general, borrowers may receive a loan amount of up to 2.5 times the average monthly payroll costs in the one year prior to the loan or the calendar year. No loan can be greater than $2 million.
        a. Businesses with multiple locations that are eligible entities under the initial PPP requirements may employ not more than 300 employees per physical location.
        b. New entities may receive loans of up to 2.5 times the sum of average monthly payroll costs.
        c. Waiver of affiliation rules that applied during initial PPP loans apply to a second loan.
        d. An eligible entity may only receive one PPP second draw loan.
        e. Fees are waived for both borrowers and lenders to encourage participation.
        f. For loans of not more than $150,000, the entity may submit a certification attesting that the entity meets the revenue loss requirements on or before the date the entity submits their loan forgiveness application and non-profit and veterans organizations may utilize gross receipts to calculate their revenue loss standard.
    - Loan forgiveness: Borrowers of a PPP second draw loan would be eligible for loan forgiveness equal to the sum of their payroll costs, as well as covered mortgage, rent, and utility payments, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures incurred during the covered period. The 60/40 cost allocation between payroll and non-payroll costs in order to receive full forgiveness will continue to apply.

Infrastructure Funding

- $91 million for the EPA Brownfields Program, a $2 million increase from last year.
- $3.4 billion in Community Development Block Grant funding, a $50 million increase from last year.
- $2 billion for career, technical, and adult education funding, a $70 million increase from last year.
- $54 billion in new funding for schools, including new allowable uses of funds for school facilities repairs and improvements.
- $1 billion for the National Infrastructure Investments (TIGER/BUILD) program.
- $400 million for discretionary Airport Improvement Grants.
- $2 billion for the discretionary Highway Infrastructure Program.

Supplemental Unemployment Insurance Benefits

- Provides $300 per week in Pandemic Emergency Unemployment Compensation (PEUC) benefits, down from $600 per week in the CARES Act.
- The PEUC goes into effect after December 26 and ends on March 14, 2021.
- Allows individuals receiving benefits as of March 14, 2021 to continue to receive benefits through April 5, 2021, as long as the individual has not reached the maximum number of weeks.
- Increases the number of weeks of benefits an individual may claim through the PEUC program from 13 to 24.
- Requires states to have methods in place to address situations when claimants of unemployment compensation refuse to return to work or refuse to accept an offer of suitable work without good cause including:
    - A reporting method for employers to notify the state when an individual refuses employment.
    - A plain language notice to claimants about state return to work laws, rights to refuse to return to work or to refuse suitable work and information on contesting a denial of a claim, as well as what constitutes suitable work, including a claimant's right to refuse work that poses a risk to the claimant's health and safety.

Employee Retention Tax Credit

- Increases the credit rate from 50% to 70% of qualified wages. Expands eligibility for businesses by reducing the required year-over-year gross receipts decline from 50 percent to 20 percent. The provision increases the maximum number of employees from 100 to 500.

Economic Injury Disaster Loan Program

- Provides additional targeted funding for eligible entities located in low-income communities through the EIDL Advance program from Section 1110 of the CARES Act.
- Makes entities in low-income communities that received an EIDL Advance under Section 1110 of the CARES Act eligible to receive an amount equal to the difference of what the entity received under the CARES Act and $10,000.
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- Provides $10,000 grants to eligible applicants in low-income communities that did not secure grants because funding had run out.
- Extends covered period for Emergency EIDL grants through December 31, 2021.
- Repeals section 1110(e)(6) of the CARES Act, which requires PPP borrowers to deduct the amount of their EIDL advance from their PPP forgiveness amount.
- Establishes the Sense of Congress that EIDL Advance borrowers should be made whole without regard to whether those borrowers are eligible for PPP forgiveness.
- The Administrator shall issue rules that ensure borrowers are made whole if they received forgiveness and their EIDL was deducted from that amount.

Extension of Credits for Paid Sick and Family Leave

- Extends the refundable payroll tax credits for paid sick and family leave, enacted in the Families First Coronavirus Response Act, through the end of March 2021. It also modifies the tax credits so that they apply as if the corresponding employer mandates were extended through the end of March 2021. This provision is effective as if included in FFCRA (March 2020).

Direct Payments to Individuals

- The provision provides a refundable tax credit in the amount of $600 per eligible family member. The credit is $600 per taxpayer ($1,200 for married filing jointly), in addition to $600 per qualifying child. The credit phases out starting at $75,000 of modified adjusted gross income ($112,500 for heads of household and $150,000 for married filing jointly) at a rate of $5 per $100 of additional income.

COVID-19 Testing and Vaccine Distribution

- Includes over $60 billion for COVID-19 testing as well as accelerated vaccine distribution.