

CARES Act - Detailed Funding Summary

Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Division B - \$340 Billion

\$200 BILLION FOR FRONTLINE HEALTHCARE SERVICES, SUPPLIES, AND WORKERS ADDRESSING THE VIRUS:

- **\$19.6 billion** for our nation's veterans, including:
 - **\$14.4 billion** to expand in-patient care and purchase test kits, ventilators, and personal protective equipment; and ensure care for vulnerable veterans such as those who are in nursing homes or homeless.
 - **\$2.15 billion** in information technology to expand telehealth, especially for veterans in rural areas, and telework for employees of the Veterans Administration (VA) to ensure veterans continue to receive services.
 - **\$2.1 billion** for veterans receiving care for coronavirus from community providers.
 - **\$606 million** for the VA to be able to quickly expand bed space and prepare temporary facilities to care for affected veterans.
 - **\$150 million** for state veteran homes to help them serve more patients.
 - **\$2.8 million** to support Armed Forces Retirement Homes.
- **\$11 billion** for research and production of better diagnostic tests and medicine and support for future vaccine manufacturing.
- **\$16 billion** for medical supplies (respirators and ventilators) and personal protective equipment (gloves, masks, gowns).
- **\$100 billion** to reimburse hospitals and other healthcare providers for healthcare-related expenses or lost revenues attributable to the outbreak.
- **\$45 billion** for the Disaster Relief Fund to ensure funds are available to states and localities to operate emergency response activities.
- **\$4.3 billion** for direct response by the Centers for Disease Control and Prevention, including another \$1.5 billion directly to states to assist with response.
- **\$1 billion** for research into an effective vaccine.
- **\$16 million** for research, including to promote domestic manufacturing of biopharmaceuticals and to address readiness and domestic manufacturing capability.
- **\$3 million** for agencies to research potential coronavirus environmental transmission pathways and approve disinfectant treatments.
- **\$1 billion** for healthcare, disinfection, and quarantine services in Indian Country.
- **\$100 million** for expanded use of Department of Energy user facilities and supercomputers to support research into the coronavirus and potential treatments and vaccines.
- **\$76 million** for the National Science Foundation for near real-time research of the virus, including transmission, virulence, and population dynamics.
- **\$55 million** for medical equipment and supplies, facilities, laboratory and healthcare professionals, and related social services in the Insular Areas.
- **\$340 million** for rural broadband and telehealth infrastructure, as well as telemedicine initiatives.
- **\$200 million** for the Emergency Food and Shelter Program.
- **\$850 million** for state and local law enforcement grants.
- **\$100 million** for Assistance to Firefighter grants.
- **\$100 million** for Emergency Management Performance Grants to state and local emergency management agencies.
- **\$80 million** for the Food and Drug Administration to approve medical therapies and to help address medical supply shortages.

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\$138 BILLION TO LESSEN THE IMPACT OF THE VIRUS:

- **\$10.5 billion** to mitigate the risk of the coronavirus to our service members, their dependents, and DOD civilians; minimize the impacts on strategic mission readiness; and support national response efforts.
- **\$36.1 billion** for the Department of Transportation to keep our nation's airports, transit systems, and passenger rail safe and operational through grants.
- **\$4.6 billion** for healthcare, community support programs, nutrition and home-based services for seniors, and mental health.
- **\$8.8 billion** to feed breakfast and lunch to low income children while they are out of school.
- **\$15.8 billion** for the Supplemental Nutrition Assistance Program to feed low income families as well as \$100 million for Native Americans on or near Indian Reservations.
- **\$450 million** for the Emergency Food Assistance Program to support local food banks.
- **\$562 million** for the Small Business Administration for economic injury disaster loans.
- **\$9.5 billion** in additional assistance for farmers and ranchers to address the impact of coronavirus and an additional \$14 billion replenishment of the Commodity Credit Corporation.
- **\$660 million** to implement new leave programs at the Department of Labor and Social Security Administration.
- **\$31.1 billion** for K-12 schools, colleges, universities, libraries, and museums, as well as for public radio and TV stations providing additional programming during this crisis.
- **\$5 billion** for HUD Community Development Block Grants to support local non-profits and needs at the community level.
- **\$3.5 billion** for childcare.
- **\$250 million** for the Internal Revenue Service to implement tax credits and other tax changes to stimulate the economy.
- **\$50 million** in targeted funding to help small and medium-sized manufacturers recover from the economic impacts of the virus.
- **\$5 million** for outreach and consumer education on best practices for coronavirus disinfection techniques for home, school, and daycare facilities.
- **\$7.4 billion** for the Department of Housing and Urban Development for critical homeless shelters and services and support for individuals and families served by assisted housing programs.
- **\$1.5 billion** for Economic Adjustment Assistance to help provide capital to small businesses.
- **\$21 million** to support \$1 billion in loan guarantees for rural businesses and industries.
- **\$150 million** for grants to states and communities to support impacted arts and humanities programs.
- **\$475 million** to help the most vulnerable in Indian Country, particularly the elderly, the poor, and children out of school.
- **\$50 million** for civil legal assistance to address needs as a result of coronavirus.
- **\$7.5 million** to help the cruise industry map infection transmission hot spots and best practices for disinfection.
- **\$1.1 billion** for the State Department and other agencies to assist Americans who need to return home and to provide assistance to stop the spread of this disease internationally.

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\$2 BILLION TO ENSURE THE GOVERNMENT CAN CONTINUE TO OPERATE AS AMERICANS TAKE SOCIAL DISTANCING MEASURES AND OTHER PRECAUTIONS:

- **\$161.3 million** for continued support of USDA's work on agricultural pests and diseases, on the safety and quality of foods, and in rural communities.
- **\$100 million** to address the impact of coronavirus on Federal prisons.
- **\$100 million** for the Transportation Security Administration for cleaning and sanitizing at checkpoints and other airport common areas; officer overtime; and screening materials.
- **\$178 million** for personal protective equipment for Department of Homeland Security front line and essential personnel.
- **\$9.1 million** for additional cybersecurity interagency coordination at the Department of Homeland Security.
- **\$61 million** to call up U.S. Coast Guard reservists to continue mission operations.
- **\$125 million** for information technology and telework upgrades, and building cleaning at FEMA and the U.S. Coast Guard
- **\$275 million** for the Federal Buildings Fund to make federal buildings safer through activities such as enhanced cleaning and visitor screening.
- **\$297 million** for tribal and federal government agencies and museums to disinfect and clean buildings, facilitate telework and distance learning activities, continue operations, and support Department of the Interior and U.S. Forest Service law enforcement and emergency personnel.
- **\$57 million** for Justice Department and law enforcement agencies to prepare and respond to coronavirus and continue to pursue their missions.
- **\$16 million** for personal protective equipment, overtime, and baseline testing for Department of the Interior and U.S. Forest Service emergency personnel deployed to critical areas.
- **\$400 million** in election assistance grants.
- **\$122 million** for the Corps of Engineers, Bureau of Reclamation, Department of Energy, and Nuclear Regulatory Commission.
- **\$93.1 million** for the Legislative Branch to ensure Congress can continue to operate on behalf of the American people and support enhanced teleworking capabilities.
- **\$60 million** for NASA to ensure it can continue to support critical missions.
- **\$20 million** to continue to provide critical weather forecasts and other services.
- **\$7.5 million** for the Federal Judiciary to address telework and probation/pretrial costs.
- **\$5 million** to address increased costs for emergency planning and security in the District of Columbia.
- **\$18.65 million** for the Federal Citizen Services Fund to support Government-wide remote connectivity initiatives.
- **\$1.5 million** for the General Services Administration to support additional costs related to the coronavirus response, including the purchase of supplies and materials and the implementation of system, program, or policy changes.
- **\$8.1 million** for the National Archives and Records Administration to increase remote work capacity.
- **\$12.1 million** for the Office of Personnel Management to increase remote work capacity.
- **\$80 million** for the Pandemic Response Accountability Committee, as well as additional resources for agency inspectors general and the Government Accountability Office to conduct oversight of the funds provided in the Act.



WAYS AND MEANS

KEVIN BRADY, REPUBLICAN LEADER

H.R. 6201, Families First Coronavirus Response Act

This remedy answers the growing need for paid family and medical leave by providing the maximum amount of flexibility to the Secretary of the Treasury and the Secretary of Labor to be responsive to the needs of those small businesses that are suffering. In order to do so, this approach makes the mandate optional for businesses 50 and under and makes no mandate or credit for businesses larger than 500, because the vast majority of businesses this size already offer paid sick leave. The provision ensures that no business has a liability larger than the credit it receives and also provides the Secretary with the ability to advance resources to small businesses.

Tax Provisions

[Division G – Tax Credits for Paid Sick and Paid Family and Medical Leave]

- This division would provide 100 percent refundable tax credits to employers with regard to two categories of paid sick and family leave (described below) that employers must grant to employees under the bill to address employment interruptions related to COVID-19.
- The tax credits would be administered by the IRS and be creditable against employer-side payroll tax liability, with any excess refunded to the employer.
- Refundable tax credits similar in scope and amount would be available to self-employed workers facing the same employment interruptions.
- Payments to employees would be taxable income to the employees and subject to employee-side payroll taxes, but not subject to the employer portion of payroll taxes.
- The provision sunsets on December 31, 2020.
- The bill would provide that Treasury generally make payments to possessions for the costs of these credits.

**Payroll Credit for “Qualified Sick Leave Wages”
[Division E – Emergency Paid Sick Leave Act]**

- Under the bill, certain employers would be required to provide 80 hours (or 2 weeks) of fully paid leave to full-time employees (pro-rata rules would apply to part-time employees) on top of any other existing paid leave program of the employer to cover employees not working for the following uses:
 - (1) the employee is subject to a Federal, State, or local quarantine or isolation order related to coronavirus;
 - (2) the employee has been advised by health care provider to self-quarantine due to coronavirus;
 - (3) the employee is experiencing symptoms of coronavirus;
 - (4) the employee is caring for an individual who is subject to an order described in (1) or has been advised as described in (2);
 - (5) the employee is care for their child because the school is closed or child care provider is unavailable due to coronavirus; or
 - (6) the employee is experiencing a similar condition specified by Secretary of HHS.
- Employers would be required to pay employees their full wages, not to exceed \$511 per day and \$5,110 in the aggregate, for a use described in (1), (2), or (3) above.
- Employers would be required to pay employees two-thirds of their wages, not to exceed \$200 per day and \$2,000 in the aggregate, for a use described in (4), (5), or (6) above.
- Employers would receive a 100 percent refundable payroll tax credit on the wages required to be paid.
- The requirement to provide the paid leave would apply to all public sector employers and those private sector employers with less than 500 employees. The tax credit eligibility would only apply to those private sector employers with less than 500 employees.

- Secretary of Labor has authority to issue regulations to exempt small businesses with fewer than 50 employees if the above requirements would jeopardize the going concern of the business.

Payroll Credit for “Qualified Family Leave Wages”
[Division C – Emergency Family and Medical Leave Expansion Act]

- Employers would also generally be required to provide ten weeks of paid leave. Employers would be required to pay employees two-thirds of their wages, not to exceed \$200 per day and \$10,000 in the aggregate.
- This leave would cover employees who are not working because the employee is caring for their child because the school is closed or child care provider is unavailable due to a public health emergency.
- The requirement to provide the paid leave would apply to all employers with less than 500 employees. Federal, state, and local governments are not eligible for the Credit.
- Employers would receive a 100 percent refundable payroll tax credit for the wages required to be paid.
- Secretary of Labor has authority to issue regulations to:
 - (1) exclude certain health care providers and emergency responders from the definition of eligible employee; and
 - (2) exempt small businesses with fewer than 50 employees if the above requirements would jeopardize the going concern of the business.

Unemployment Provisions
[Division D – Emergency Unemployment Insurance Stabilization and Access Act of 2020]

Section 4101. Short Title. The short title for the division is the Emergency Unemployment Insurance Stabilization and Access Act of 2020.

Section 4102. Emergency Transfers for Unemployment Compensation Administration. This section provides \$1 billion in 2020 for emergency administration grants to states for activities related to processing and paying unemployment insurance (UI) benefits, under certain conditions.

\$500 million would be used to provide immediate additional funding to all states for staffing, technology, systems, and other administrative costs, so long as they

met basic requirements about ensuring access to earned benefits for eligible workers. Those requirements are:

- Require employers to provide notification of potential UI eligibility to laid-off workers.
- Ensure that workers have at least two ways (for example, online and phone) to apply for benefits.
- Notify applicants when an application is received and being processed and if the application cannot be processed, provide information to the applicant about how to ensure successful processing.

States would be required to report on the share of eligible individuals who received UI benefits and the state's efforts to ensure access within one year of receiving the funding. The funding would be distributed in the same proportions as regular UI administrative funding provided through annual appropriations.

\$500 million would be reserved for emergency grants to states which experienced at least a 10 percent increase in unemployment. Those states would be eligible to receive an additional grant, in the same amount as the initial grant, to assist with costs related to the unemployment spike, and would also be required to take steps to temporarily ease eligibility requirements that might be limiting access to UI during the COVID-19 outbreak, like work search requirements, required waiting periods, and requirements to increase employer UI taxes if they have high layoff rates. Depending on the state, those actions might require changes in state law, or might just require changes in state policy. This section also provides temporary federal flexibility regarding those UI restrictions which are also in federal law.

Section 4103. Temporary Assistance for States with Advances. This section provides states with access to interest-free loans to help pay regular UI benefits through December 31, 2020, if needed.

Section 4104. Technical Assistance and Guidance for Short-Time Compensation Programs. This section requires the Secretary of Labor to provide technical assistance to states that want to set up work-sharing programs, in which employers reduce hours instead of laying employees off, and then employees receive partial unemployment benefits to offset the wage loss.

Section 4105. Full Federal Funding of Extended Unemployment Compensation for a Limited Period. For states that experience an increase of 10 percent or more in their unemployment rate (over the previous year) and comply with all the beneficiary access provisions in section 102, this section provides 100 percent federal funding for Extended Benefits, which normally require 50 percent

of funding to come from states. Extended Benefits are triggered when unemployment is high in a state and provide up to an additional 26 weeks after regular UI benefits (usually 26 weeks) are exhausted.

Health Provisions

[Division F— Health Provisions]

Section 6001. No cost sharing or medical management techniques for testing and services related to testing for private health plans.

Section 6002. No cost sharing for services related to testing for Medicare plans.

Section 6003: No cost sharing or medical management techniques for testing and services related to testing for Medicare Advantage plans.

Section 6004. No cost sharing for services related to testing for Medicaid and CHIP plans, with a state option to provide coverage for uninsured through Medicaid.

Section 6005. Codifies HHS administrative actions related to temporary liability protections for approved personal respiratory devices under the PREP Act.

Section 6006. No cost sharing testing and services related to testing for TRICARE, Veterans' health coverage or for federal civilian workers.

Section 6007. No cost sharing testing and services related to testing for Indians receiving purchased and/or referred care.

Section 6008. Provides states with a 6.2% Medicaid FMAP increase for all medical services for the duration of the public health emergency.

Section 6009. Provides territories with a 6.2% Medicaid FMAP increase for all medical services for the next two fiscal years by adjusting their caps.

Section 6010. Technical improvement to Medicare telehealth authority.

Of note, Title IV of Division A (Second Coronavirus Preparedness and Response Supplemental Appropriations, 2020) appropriates \$1 billion into the Public Health and Social Services Emergency Fund for the National Disaster Medical System to pay provider claims for testing and services related to testing for uninsured individuals.



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Summary of Key Tax Provisions in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

Title I—Rebates and Other Individual Provisions

Section 2101. 2020 Recovery Rebates for Individuals

- \$1,200 per individual (\$2,400 joint filers) and \$500 per child
 - The \$1,200/\$2,400 amount is limited by 2020 tax liability, but shall not be less than \$600/\$1,200
- To qualify, taxpayer must have at least \$2,500 of earned income or tax liability greater than zero
- Income limits on rebates is \$75,000 for individuals / \$150,000 joint filers
 - Credit is reduced by 5% of AGI above income limit
- IRS will use 2018 return information to determine eligibility (but will use 2019 if available)

Section 2103. Special Rules for Retirement Accounts

- Waiver of 10% penalty on up to \$100k of early retirement withdrawals
 - Income tax owed on distributions is spread out over 3 years
 - Taxpayers may recontribute amounts distributed during the next 3 years
 - Allows American's to access their retirement savings in this time of emergency without being penalized

- Loans from retirement accounts increased to \$100k (from \$50k)
 - Allows American's to access more cash from retirement accounts without being penalized during this time

Section 2104. Allowance of Partial Above-the-Line Deduction for Charitable Contributions

- \$300 above-the-line deduction for charitable giving for taxpayers that do not itemize for 2020 tax year
 - Encourages charitable giving for all Americans during this time.
 - Above the line deduction reduces a taxpayers AGI

Section 2105. Modification of Limitation on Charitable Contributions during 2020

- Suspension of charitable giving limit for 2020
 - Generally, the charitable giving limit is 60% of AGI, there are lower limits in other circumstances.
 - Lifts the giving limit to allow taxpayers to fully deduct more generous giving

Title II—Business Provisions

Section 2201. Delay of Estimated Tax Payments for Corporations

- Delay of estimated tax payments for corporations to October 15, 2020
 - Provides cash flow to corporations by delaying estimated tax payments
 - Applicable to April 15, June 15, September 15 estimated tax filing deadlines

Section 2202. Delay of Payment of Employer Payroll Taxes

- Delay of payment of employer payroll taxes for 2020
 - Does not apply to taxpayers that had debt forgiveness on SBA loan under Phase 3 Package
 - 2020 payroll taxes deferred until December 31, 2021 and December 31, 2022 (50% due before each date)

Section 2203. Modification of Net Operating Losses

- 5-year carryback for net operating loss (NOLs) incurred by taxpayer in 2018, 2019, and 2020 taxable years

- Allows businesses with 2018 and 2019 NOLs to receive quick tax refunds on those amounts
- Allows businesses with 2020 NOLs to get refunds in 2021
- Technical correction for NOL effective date, which effects the 2017 year for fiscal year taxpayers
 - Allows businesses with 2017 NOLs to receive quick tax refunds

Section 2205. Modification of Credit for Prior Year Minimum Tax Liability of Corporations

- Acceleration of refundability of AMT credits (accelerates 2020 and 2021 refund amounts)
 - TCJA repealed corporate AMT and allowed refunds of AMT credits over a 4-year period
 - This will accelerate the refunds of the remaining 2020 and 2021 AMT credits and allow businesses to have this cash now
 - This would accelerate the refund of approximately \$3.2 billion of remaining AMT credits

Section 2206. Modification of Limitation on Business Interest

- Relaxation of interest deduction limitation rule for 2019 and 2020 tax years
 - Increase limit from 30% of adjusted taxable income (sometimes referred to as “EBITDA”) to 50%
 - Allow taxpayer to use 2019 limit for their 2020 tax year
 - Allows businesses to deduct more of their business interest to reduce 2020 tax liability or to receive a larger tax refund for 2020 losses

Section 2207. Technical amendments regarding qualified improvement property

- Provides that the depreciable life of qualified improvement property, or QIP, be 15 years instead of 39 years
 - Would allow QIP to be fully expensed in one year

Section 2208. Installments not to prevent credit or refund of overpayments or increase estimated taxes

- Provides that taxpayers that overpaid their deemed repatriation liability would be eligible for a refund of such overpayments

Section 2209. Restoration of Limitation on Downward Attribution of Stock Ownership in Applying Constructive Ownership Rules

- Addresses tax treatment of certain foreign subsidiaries resulting from changes made by TCJA, which changed the ownership requirements for foreign entities that are subject to U.S. tax.

Summary of Key Medicare and Health Tax Provisions in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

Title I, Subtitle D—Finance Committee

Courtesy of Senate Finance Committee Republicans

Sec. 4401. Health Savings Accounts for Telehealth Services

This section would allow a high-deductible health plan (HDHP) with a health savings account (HSA) to cover telehealth services prior to a patient reaching the deductible, increasing access for patients who may have the COVID-19 virus and protecting other patients from potential exposure.

Sec. 4402. Over-the-Counter Medical Products without Prescription

This section would allow patients to use funds in HSAs and Flexible Spending Accounts for the purchase of over-the-counter medical products, including those needed in quarantine and social distancing, without a prescription from a physician.

Sec. 4403. Health Savings Accounts for High-quality Primary Care

This section would allow patients with HDHP to use HSA funds to pay the monthly fee to a “direct primary care” physician practice that typically provides more remote care, including telehealth.

Sec. 4404. Expanding Medicare Telehealth Flexibilities

This section would eliminate the requirement in Coronavirus Preparedness and Response Supplemental Appropriations Act of 2020 (Public Law 116-123) that limits the COVID-19 Medicare telehealth expansion authority during the COVID-19 emergency to situations where the physician or other professional has treated the patient in the past three years. This would enable beneficiaries to access telehealth, including in their home, from a broader range of providers, reducing COVID-19 exposure.

Sec. 4405. Allowing Federally Qualified Health Centers and Rural Health Clinics to Furnish Telehealth

This section would allow, during the COVID-19 emergency, Federally Qualified Health Centers and Rural Health Clinics to furnish telehealth services to beneficiaries in their home or other setting. Medicare would reimburse for these services at a composite rate similar to payment provided for comparable telehealth services under the Medicare Physician Fee Schedule.

Sec. 4406. Expanding Telehealth for Home Dialysis Patients

This section would eliminate a requirement during the COVID-19 emergency that a nephrologist conduct some of the required periodic evaluations of a patient on home dialysis face-to-face., allowing these vulnerable beneficiaries to get more care in the safety of their home.

Sec. 4407. Enabling Physician Assistants and Nurse Practitioners to Order Home Health Services

This section would allow physician assistants, nurse practitioners, and other professionals to order home health services for beneficiaries, reducing delays and increasing beneficiary access to care in the safety of their home.

Sec. 4408. Increasing Provider Funding through Immediate Medicare Sequester Relief

This section would provide prompt economic assistance to health care providers on the front lines fighting the COVID-19 virus, helping them to furnish needed care to affected patients. Specifically, this section would temporarily lift the Medicare sequester, which reduces payments to providers by 2 percent, from May 1 through December 31, 2020, boosting payments for hospital, physician, nursing home, home health, and other care. The Medicare sequester would be extended by one-year beyond current law to provide immediate relief without worsening Medicare's long-term financial outlook.

Sec. 4409. Medicare Add-on for Inpatient Hospital COVID-19 Patients

This section would increase the payment that would otherwise be made to a hospital for treating a patient admitted with COVID-19 by 15 percent. It would build on the Centers for Disease Control and Prevention (CDC) decision to expedite use of a COVID-19 diagnosis to enable better surveillance as well as trigger appropriate payment for these complex patients. This add-on payment would be available through the duration of the COVID-19 emergency period.

Sec. 4410. Preventing Durable Medical Equipment Payment Reduction

This section would prevent a scheduled decrease in payment amounts for durable medical equipment, which helps patients transition from hospital to home and remain in their home, through the length of COVID-19 public health emergency.

Sec. 4411. Using Provider Collaboration Programs to Improve Care in Rural and Underserved Areas

This section would allow state Medicaid programs to pay for learning programs that enable specialists to train and consult with providers in rural and underserved areas on treating COVID-19 and other public health emergencies.

Sec. 4412. Providing Home and Community-based Support Services during Hospital Stays

This section would allow state Medicaid programs to pay for direct support professionals, including caregivers trained to assist with activities of daily living for disabled individuals in the hospital to reduce length of stay and free up beds.

Sec. 4413. Using and Developing DISARM Antimicrobial Drugs

This section would establish separate Medicare payment to hospitals for when administering a qualified antibiotic or antifungal to treat a serious or life-threatening infection, helping to prevent the spread of serious infection at a time when hospitals are overwhelmed with COVID-19 patients. A hospital must participate in a CDC stewardship program to receive the separate payment, which would be in place for a five-year period with an evaluation of the impact.

Sec. 4414. Speeding Medicare Determinations on Novel Breakthrough Products

This section would require Medicare to make quicker coding, coverage, and payment determinations when the Food and Drug Administration approves truly novel drugs, biologics, and devices, such as those that will be necessary to treat COVID-19.