

Last Thursday, President Biden signed into law the \$1.9 trillion American Rescue Plan Act of 2021. Most of the law focused on providing much-needed direct relief for American families struggling from this pandemic's economic effects. Still, several provisions have a direct impact on our industry.

The law allocates \$350 billion to state and local governments, for which we have been advocating for months. These funds will help to stabilize our client agencies and could allow them to restart infrastructure projects that they stopped or delayed due to the drastic drop in revenues caused by the pandemic.

Transit agencies will receive \$30 billion, and airports will get \$8 billion. The funding is mainly for operating expenses, but it will relieve some of their financial pressures and allow them the flexibility to restart capital projects.

The bill also allocates \$10 billion for a Coronavirus Capital Projects Fund, from which states will fund projects responding to the COVID-19 public health emergency.

Other funding includes \$1.7 billion for Amtrak, \$3 billion for the Department of Commerce Economic Adjustment Assistance Program, and \$50 billion for FEMA's Disaster Relief Fund.

Two tax credits enacted in previous relief bills were extended through the end of 2021: the employee retention tax credit and the payroll tax credits for emergency sick leave and emergency family leave.

There's a lot to like in the legislation, but we also have some concerns. Primarily, a provision inserted at the last moment during the Senate debate prohibits states that accept stimulus funds from implementing tax cuts between now and 2024.

We are assessing what impact this could have in two areas. First, does this prohibition limit a state's ability to offset an increase in the gas tax with an equivalent decrease in another tax? And second, how will it affect those states trying to conform their tax codes to the federal code as it applies to the deductibility of expenses covered by PPP loan forgiveness?

With the passage of the American Rescue Plan, the first part of the President's recovery plan is complete. Now Capitol Hill can transition to assembling an infrastructure-based economic recovery package with a robust and long-term surface transportation program at its core.

With the House expected to start working on its bill in early April and the Senate to follow in early May, our 2020 ACEC Convention and Legislative Summit, April 26-28, could not be better timed. We will use the event to kick-off a virtual citizen lobbying campaign that will stretch through the spring and into the summer, bringing together our members with their Congressional delegations to advocate for infrastructure.

If you haven't already registered for the Convention, click [here](#) for more information and to sign up.

Have a great week,

Linda Bauer Darr