
MEMORANDUM

TO: NLA
FROM: Cornerstone Government Affairs
SUBJECT: American Rescue Plan Highlights
DATE: Mar. 10, 2021

On Wednesday, March 10th, the House passed the final version of the \$1.9 trillion American Rescue Plan and sent it to President Biden for a signature. Below are highlights relevant for the ground transportation industry and small business communities. Full text of the bill can be found [here](#).

Relief Funding:

State and Local Fiscal Aid: \$350 billion for state and local fiscal relief funds which can be used for local economic recovery purposes, including assistance to households, small businesses and nonprofits, and assistance to hard-hit industries like tourism, travel, and hospitality, and infrastructure investment.

Expanded PPP Eligibility: The bill provides an additional \$7.25 billion for PPP and expands eligibility to additional nonprofits such as 501(c)(5) labor and agricultural organizations and community locations of larger nonprofits, as well as digital news services.

Small Business Capital: The State Small Business Credit Initiative provides investment for state governments to set up programs that can leverage billions of dollars in private capital for low-interest loans and other investment to help entrepreneurs and the small business economy rebound from this crisis. The \$1.5 billion in SSBCI in 2010 helped states leverage at least 10 times the amount of their SSBCI funds to generate new small business lending, helping to create or retain over 240,000 jobs. The American Rescue Plan provides \$10 billion for the SSBCI to help states support small businesses.

Targeted EIDL Grants: The bill will add \$15 billion in new funding for Targeted EIDL grants to provide hard-hit, underserved small businesses with increased flexible grant relief. These grants will be particularly helpful for very small businesses and sole proprietors.

Economic Development Administration: EDA funding provides flexible investment for rebuilding local economies and hard-hit industries, including tourism and travel. The American Rescue Plan provides the Economic Development Administration with \$3 billion to aid communities in rebuilding local economies, which includes \$750 million for the travel, tourism, and outdoor recreation sectors.

Direct Payments: This package includes a \$1,400 payment to supplement the \$600 provided in December.

Unemployment Insurance extension: The bill extends enhanced unemployment insurance of \$300/week for the 18 million Americans currently relying on these benefits until September 6, 2021.



Tax Relief:

Unemployment Insurance Taxation: The bill creates a \$10,200 tax exclusion for unemployment compensation income for tax year 2020 for households with incomes under \$150,000.

Paid Sick Leave Credit: The bill provides an extension and expansion of the paid sick and FMLA leave tax credits created in the Families First Coronavirus Response Act of 2020. It provides payroll tax credits for employers who voluntarily provide paid leave through the end of September 2021.

Employee Retention Tax Credit: The bill extends and expands the Employee Retention Tax Credit (ERTC) through December 31, 2021. The bill expands the ERTC to allow certain severely distressed businesses to claim the credit for a greater share of employee wages. It also expands the credit to cover newly formed businesses.

Tax Treatment of Certain SBA Programs: The bill provides for the tax-free treatment of Targeted EIDL Advances and Restaurant Revitalization Grants. It also clarifies that any otherwise-allowable deductions continue to be deductible notwithstanding the tax-free treatment of grant proceeds

Extension of Excess Business Loss Limitation: The bill extends for 1 year, through December 31, 2026, the limitation on excess business losses of non-corporate taxpayers.

Testing, Vaccines & PPE:

Vaccines: The bill includes \$7.5 billion in CDC funding for vaccine distribution, and \$5.2 billion for vaccine and supplies procurement.

Testing: The bill provides \$48.3 billion for testing in order to contain the virus and mitigate its effects, hire staff for contact tracing, provide PPE for frontline health workers, and take other steps to combat the virus, such as enabling isolation and quarantine. The bill also provides \$1.733 billion for enhanced genomic sequencing.

Defense Production Act: The bill provides \$10 billion to expand domestic production of personal protective equipment (PPE), vaccines, and other medical supplies.

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