

The American Rescue Plan Act

Analysis of Key Provisions Affecting Nonprofits and the People They Serve

ISSUE	AMERICAN RESCUE PLAN ACT	ACTION ITEMS
SBA Programs	Link to Statutory Text	
Paycheck Protection Program	<ul style="list-style-type: none"> ○ Adds \$7.25 billion for the Paycheck Protection Program ○ Expands PPP eligibility to charitable nonprofits that operate at multiple locations and employ not more than 500 employees per physical location ○ Expands PPP eligibility to other types of nonprofits, but with a 300-employee limit per location ○ No changes to Second Draw PPP loans eligibility ○ PPP application deadline is Mar. 31, 2021 unless extended by Congress (Section 5001) 	<ul style="list-style-type: none"> ★ Submit your PPP applications before Mar. 31, 2021. Go here to check for revisions to the PPP application ★ Advocate for swift passage of the PPP Extension Act of 2021
Economic Injury Disaster Loan (EIDL)	<ul style="list-style-type: none"> ○ Includes \$15 billion for the Targeted EIDL Advance program ○ Instructs SBA to spend \$10 billion in payments to covered entities that did not receive full amounts to which they were entitled ○ Allocates remaining \$5 billion to covered entities that have suffered an economic loss of at least 50% and have 10 or fewer employees (Section 5002) 	<ul style="list-style-type: none"> ★ Check the SBA website for updates
Shuttered Venue Operators Grant Program (SVOG)	<ul style="list-style-type: none"> ○ Includes an additional \$1.25 billion ○ Repeals prohibition on applying for funds under both the PPP and SVOG; allows SVOG applicants to reduce the grant value by the amount of a PPP loan received in 2021 (Section 5005) 	<ul style="list-style-type: none"> ★ Apply for PPP loans as soon as possible – don't wait until Mar. 31, 2021 ★ Check the SBA website for updates
Tax Provisions		
Unemployment Insurance & Self-Insured Employers	<ul style="list-style-type: none"> ○ Extends through Sept. 6, 2021 the federal payment for a portion of unemployment costs of reimbursing nonprofits. The federal coverage is <ul style="list-style-type: none"> ▪ 50% through Mar. 31 and ▪ 75% from April 1 through Sept. 6, 2021 (Section 9012) 	

Employee Retention Tax Credit (ERTC)	<ul style="list-style-type: none"> ○ Extends the Employee Retention Tax Credit through Dec. 31, 2021 (Section 9651) 	<p>★ Be sure to file for credits for 2020 thanks to Dec. 2020 COVID relief law. See this article for more information.</p>
Paid Leave Tax Credits for Employers	<ul style="list-style-type: none"> ○ Extends through Sept. 30, 2021 the refundable payroll tax credits for paid sick and family leave originally established in the Families First Coronavirus Response Act and voluntarily provided by employers ○ Increases the amount of wages for which an employer may claim the paid family credit in a year from \$10,000 to \$12,000 per employee ○ Expands leave to cover obtaining vaccinations and any resulting injury or illness related to vaccination (Section 9641) 	
Individual and Family Tax Credits	<ul style="list-style-type: none"> ○ Child Tax Credit: Increases the basic CTC from \$2,000 to \$3,000 per child and provides an additional \$600 for children under age 6; includes 17-year-olds in the CTC for the first time; and directs the IRS to make advance payments of the CTC in monthly installments beginning in July. Makes the child tax credit fully refundable for 2021 (Sections 9611 - 9612) ○ Earned Income Tax Credit: Nearly triples maximum EITC benefit for childless single workers and expands the eligible age range to claim the EITC to older workers (age 65 and over) and younger workers (to age 19 from 25) (Sections 9621 - 9626) ○ Child and Dependent Care Tax Credit: Expands the credit to enable families to receive up to \$4,000 for the childcare expenses of one child and up to \$8,000 for two or more children (Section 9631) 	
Selected Key Provisions		
Aid for State, Local, Tribal, and Territorial Governments	<ul style="list-style-type: none"> ○ Provides \$350 billion in aid with guardrail limitations on how governments may spend the funds. Permissible uses include <ul style="list-style-type: none"> ▪ providing “assistance to households, small businesses, and nonprofits, or aid to impacted industries,” ▪ funding government services that were cut due to declines in revenue brought on by the pandemic, and ▪ making “necessary investments” in water, sewer, or broadband infrastructure. ○ Bans use of funds for tax cuts or to pay public pension obligations (Section 9901) 	<p>★ Advocate that governments use these funds to establish grants programs for nonprofits, reduce unemployment costs, and fulfill grants and contracts with nonprofits for services</p> <p>★ Engage with your state association of nonprofits for greater effectiveness</p>

Recovery Rebates to Individuals	<ul style="list-style-type: none"> ○ \$1,400 stimulus checks for taxpayers and their children <ul style="list-style-type: none"> ▪ Full payments to individuals with income of up to \$75,000 and couples with income of up to \$150,000 ▪ Phaseout of checks between \$75,000 and \$80,000/individual and \$160,000/couple <p style="text-align: right;">(Section 9601)</p>	
Nutrition Assistance (Title I)	<ul style="list-style-type: none"> ○ Extends the 15% increase in SNAP benefits through Sept. 30, 2021 ○ Extends Pandemic EBT program that provides families with the value of missed school breakfasts and lunches ○ Provides funding for outreach and modernization to make the WIC program more user-friendly ○ Increases the Cash Value Voucher benefit 	
Health (Title II)	<ul style="list-style-type: none"> ○ Provides \$7.6 billion for community health centers, \$1.44 billion for Older Americans Act programs, \$800 million for the National Health Services Corps ○ Provides a temporary 7.35 percentage point increase in the federal share of Medicaid for Home- and Community-Based Services (HCBS) which helps pay to home and personal care providers 	
Education (Title II)	<ul style="list-style-type: none"> ○ Provides \$125 billion in funding for K-12 schools, including \$2.75 billion for states to provide services to non-public schools that serve a significant percentage of students from low-income families ○ Provides \$40 billion to colleges and universities, with half devoted to emergency student financial aid grants and half available to defray lost revenue and increased costs due to adjustments needed in response to the pandemic ○ Provides \$39 billion for childcare, including about \$24 billion for Child Care Stabilization grants and nearly \$15 billion for the Child Care and Development Block Grant program ○ Provides \$350 million in additional funding for Child Abuse Prevention and Treatment Act (CAPTA) programs ○ Provides \$7.2 billion to the Federal Communications Commission to expand broadband access to support remote learning (see Title VII of the bill) 	
Cultural (Title II)	<ul style="list-style-type: none"> ○ Provides \$135 million each to the National Endowment for the Arts and the National Endowment for the Humanities ○ Includes \$200 million in funding for libraries through the Institute of Museum and Library Services 	
Volunteerism (Title II)	<ul style="list-style-type: none"> ○ Provides \$1 billion to the Corporation for National and Community Service (AmeriCorps) to increase the number of participants and stipends 	

Housing (Title III)	<ul style="list-style-type: none">○ Provides nearly \$22 billion in Emergency Rental Assistance to augment funds provided in December○ Includes \$5 billion for communities to provide supportive services for families and individuals experiencing homelessness	
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