

# Congressional Action to Combat the Coronavirus

Here is an update on what I have been working on in Washington and New Jersey to combat the outbreak of the Coronavirus, to help ensure our hospitals have the resources they need, to increase testing, and to support our communities and local businesses impacted by this public health crisis.

**On March 27, 2020, the House passed bipartisan legislation – the Coronavirus Aid, Relief, and Economic Security (CARES) Act (H.R. 748 / P.L. 116-136) to provide a robust response to the COVID-19 pandemic. The bill will help bolster our economy, strengthen our health care response, and keep us afloat for the next few months.**

## **Highlights from the bill:**

### **Direct Financial Assistance to Working Americans:**

- Provides direct cash payments to those qualifying with Social Security Numbers (SSNs).
  - \$1,200 for individual filers; \$2,400 for joint filers
  - Additional \$500 cash payment is available per child
- The full payment amount is available to those with adjusted gross income up to \$75,000 with a max of \$99,000 (individual) and \$150,000 with a max of \$198,000 (married), with a sliding phase out beyond these amounts.
- Curious to see if your family will qualify? You may calculate how much you will receive by clicking [here](#).
- Frequently asked questions (FAQs) regarding these payments are available [here](#).
- Further regarding Economic Impact Payments is available via the IRS (and regularly updated) at: <https://www.irs.gov/newsroom/economic-impact-payments-what-you-need-to-know>

### **Bolstered Unemployment Insurance:**

- Full paycheck replacement – a \$600 increase for every American, which will equal 100 percent of wages for the average worker without a paycheck during this crisis.
- Waiving waiting weeks for benefits – allows states to waive standard waiting requirements for approval of unemployment benefits, so that workers can claim benefits more quickly.
- Extension of benefits – an additional 13 weeks of federally-funded unemployment insurance benefits will be available immediately.
- Expanding access – allows part-time, self-employed, and gig economy workers negatively impacted by this pandemic to access unemployment benefits.
- For more information on eligibility for NJ's Unemployment [benefits](#) and [FAQs](#).

### **'Marshall Plan' for Our Health System:**

- Creates \$150 billion fund to be made available to hospitals and health care providers most affected by the Coronavirus including:
  - Equipment and infrastructure: Personal Protective Equipment (PPE) for health care workers, testing supplies, increased workforce and training, new construction to house patients, emergency operations centers and more.
  - Enhanced Health Investment: Dedicated funding for hospitals hit particularly hard, new investments in the Strategic National Stockpile (SNS), surge capacity, and medical research into COVID-19.
- More information regarding this emergency health funding can be found [here](#).

### **State and Local Coronavirus Expenditures Fund:**

- Emergency funding to assist state and local governments who must pay for new expenses related to the Coronavirus response.

- NJ will receive an estimated [\\$3.4 billion](#) in support from this fund, according to the Tax Foundation.

### **Small Business Rescue Plan:**

- \$350 billion in loan forgiveness grants to small businesses and non-profits to maintain existing workforce and help pay for other expenses like rent, mortgage, and utilities.
- \$10 billion for SBA emergency grants of up to \$10,000 per business to provide immediate relief to cover operating costs.
- \$17 billion for SBA to cover 6 months of payments for small businesses with existing SBA loans.

### **Payment Protection Program (PPP) Loans:**

The purpose of the Paycheck Protection Program is to help you retain your employees, at their current base pay. The program would provide cash-flow assistance through 100 percent federally guaranteed loans to employers who maintain their payroll during this emergency. PPP has a host of attractive features, such as forgiveness of up to 8 weeks of payroll based on employee retention and salary levels, no SBA fees and at least six months of deferral with maximum deferrals of up to a year.

- Loans are available through June 30, 2020. The maximum loan size is \$10 million.
- You may find a list of participating SBA Lenders in New Jersey by clicking [here](#).
- To find out more about the program, visit the Small Business Administration website here: <https://www.sba.gov/funding-programs/loans/paycheck-protection-program>.
- Frequently asked questions about the Paycheck Protection program can be found [here](#).

### **Economic Injury and Disaster Loan (EIDL) and Emergency Grant Program:**

The CARES Act temporarily expands eligibility for SBA economic injury disaster loans (EIDL), and provides an emergency advance of up to \$10,000 to small businesses and private non-profits harmed by COVID-19 within 3 days of applying for an SBA Economic Injury Disaster Loan (EIDL).

- You can apply for an EIDL online with the SBA at: <https://covid19relief.sba.gov/#/>
- When you apply, you can request an emergency grant of \$10,000.
- The SBA will provide the grant within 3 days of receiving your application.
- You will not have to repay the grant, even if your application for a loan is denied.
- You can visit an SBA resource partner who can help guide you through the loan application process. You can find your nearest Small Business Development Center (SBDC) or Women's Business Center [here](#).

### **Small Business Debt Relief Program:**

Under the CARES Act, the SBA will cover all loan payments on 7(a) loans, including principal, interest, and fees, for six months. This relief will also be available to new borrowers who take out loans within six months of the bill being signed into law.

- The SBA will pay the principal and interest of **current 7(a) loans** for a period of six months.
- The SBA will also pay the principal and interest of **new 7(a) loans** issued prior to September 27, 2020.

You may find out more about the different types of 7(a) loans by visiting: <https://www.sba.gov/partners/lenders/7a-loan-program/types-7a-loans>

### **Contractors:**

Congress has provided certain relief and protection for government contractors. Agencies will be able to modify terms and conditions of a contract and to reimburse contractors at a billing rate of up to 40 hours per week of any paid leave, including sick leave. The contractors eligible are those whose employees or subcontractors cannot perform work on site and cannot telework due to federal facilities closing because of COVID-19.

If you need additional assistance, please reach out to [your local](#) Small Business Development Center, Women's Business Center, SCORE chapter, or SBA District Office. You should also work with your agency's contracting officer, as well as the agency's Office of Small and Disadvantaged Business Utilization (OSDBU).

### **Other CARES Act provisions to benefit employers and small businesses:**

- *Employee Retention Tax Credit* -- The CARES Act creates a refundable payroll tax credit for businesses and non-profits that retain their employees during the COVID-19 crisis. The tax credit is equal to 50% of wages and compensation. There is an overall limit on wages per employee of \$10,000.
- *Advanced Tax Credits for Paid Leave* -- The CARES Act allows employers to receive an advance tax credit for required paid sick leave (under the Families First Coronavirus Response Act) instead of having to be reimbursed.
- *Delay of Payment of Employer Payroll Taxes* -- Employers and self-employed individuals may defer payment of the employer share of the Social Security tax they otherwise are responsible for paying.
- *Net Operating Loss Modifications* -- The provision relaxes the limitations on a company's use of losses. Net operating losses (NOLs) are currently subject to a taxable-income limitation, and they cannot be carried back to reduce income in a prior tax year. The provision also temporarily removes the taxable income limitation to allow an NOL to fully offset income. These changes will allow companies to utilize losses and amend prior year returns, which will provide critical cash flow and liquidity during the COVID-19 emergency.
- *Treasury Fund for Larger Businesses* -- The CARES Act authorizes \$454 billion for loans, loan guarantees and investments in support of facilities established by the Federal Reserve to support lending to eligible businesses, states, or municipalities.

You may find out more about Coronavirus Tax Relief, including updated guidance from the IRS at:

<https://www.irs.gov/coronavirus>.

### **Where do I get started if I need assistance?:**

- Need capital to cover the cost of retaining employees? The [Paycheck Protection Program](#) might be right for you.
- Could use a quick infusion of a smaller amount of cash to cover you right now? You could be eligible for an Emergency Economic Injury Grant at: <https://www.sba.gov/funding-programs/disaster-assistance>
- Worried about keeping up with payments on your current or potential SBA loan? The Small Business Debt Relief Program could help: <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources#section-header-4>
- Please find additional information about these and other programs by clicking [here](#).

### **New Jersey Small Business Development Center (SBDC) Assistance:**

New Jersey small businesses can visit the New Jersey Small Business Development Center website for information about COVID 19 emergency support programs: <https://njsbdc.com/>.

For free counseling services, click the tab for "Counseling" and register as a "new business" or "existing business."

### **Other Resources for Businesses:**

- The Small Business Owner's Guide to the CARES Act is available [here](#).
- The House Committee on Small Business' guide summary of the CARES Act is available [here](#).
- The U.S. Chamber of Commerce's Coronavirus Emergency Loan Guide for small businesses is available [here](#).

## **CONTACT INFORMATION**

**Email: [coronavirusrnj5@mail.house.gov](mailto:coronavirusrnj5@mail.house.gov)**

Phone: 201-389-1100

