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## How Will the American Rescue Plan Help America?

The House of Representatives recently passed legislation (the American Rescue Plan) intended to help with the continued financial fallout from the coronavirus pandemic. The broad-based legislation, if passed by the Senate, will include assistance for individuals and businesses, as well as state and local governments in an attempt to mitigate some of the financial damage.

Here are some of the things we can expect once the legislation is passed.

### HELP FOR INDIVIDUALS

There are a number of initiatives included in the House of Representatives package aimed at assisting individuals and families including:

- Individual stimulus payments
- Enhanced child tax credit
- Housing and food assistance
- Unemployment assistance

#### *Individual stimulus payments*

The American Rescue Plan would provide \$1,400 stimulus payments for individuals and their dependents who meet certain income requirements. The current plan maintains that payments will be provided in full for individuals earning \$75,000 or less and married couples making less than \$150,000. There is, however, a possibility that the income requirements may become more stringent once the bill is voted on in the Senate.

#### *Enhanced Child Tax Credit*

The enhanced child tax credit would increase the current child tax credit from \$2,000 per child to \$3,000 for children ages 6 to 17 and \$3,600 for children under 6. Seventeen-year-old children would be eligible for the credit for the first time.

The tax credit would be increased for one year and would be fully refundable with no minimum income restrictions.

Beginning in July, eligible families would receive the credit as an advance payment of \$250 per month per child (\$300 for children under 6) for the remainder of 2021.

#### *Housing and Food Assistance*

The bill includes numerous provisions designed to provide housing (including rent and mortgages) and food assistance for families impacted by the pandemic. These provisions include:

- \$30 billion in rental assistance
- \$10 billion for mortgage assistance
- \$5 billion to help prevent the spread of COVID-19 in homeless populations
- \$5.8 billion in EBT and WIC assistance to support nutritional programs for school-aged children and low-income women and infants

### *Unemployment Assistance*

The federal enhanced unemployment program would be extended through August 29, 2021 with the weekly benefit increasing from \$300 to \$400.

### **HELP FOR BUSINESSES**

In an effort to help hard-hit businesses, the American Rescue Plan outlines numerous elements slated to help businesses recover.

The legislation includes \$25 billion to help restaurants and bars. In addition, \$22 billion in relief has been earmarked with \$15 billion set aside for Economic Injury Disaster Loan Advance grants and \$7 billion in additional funding for the Payroll Protection Program.

The legislation also provides \$12 billion of funding for the airline industry to help curb the need for layoffs.

### **HELP FOR STATE AND LOCAL GOVERNMENTS**

The American Rescue Plan includes \$350 billion to assist state and local governments as well as tribes and territories.

This includes funds for the FEMA Disaster Relief fund, infrastructure needs and transportation assistance.

Also, \$130 billion would go towards helping K-12 schools provide personal protective equipment (PPE), implement social distancing, improve ventilation systems and reduce class sizes.

Higher educational institutions would receive \$40 billion with a significant portion specifically for helping to reduce hunger and homelessness and alleviate other challenges which might be experienced by students related to the pandemic.

Childcare providers will also get a boost through the Child Care and Development Block program (\$40 billion). An additional \$1 billion would be used to support Head Start programs.

### **OTHER PROVISIONS**

The American Rescue Plan includes funding of \$20 billion to establish a national vaccine program with an additional \$50 billion to support coronavirus testing.

The bill also includes money for the Affordable Care Act (ACA), the Consolidated Omnibus Budget Reconciliation Act (COBRA) and paid leave.

Overall, the American Rescue Plan includes \$1.9 trillion created to help individuals, families and businesses recover from the negative impact of the coronavirus pandemic.

If you have any questions about the American Rescue Plan, please contact Frankel Zacharia at 402.496.9100.