

May 15, 2020

House Passes HEROES Act

By a slim margin 208 - 199, the House of Representatives has passed the HEROES Act, a \$3 trillion stimulus bill. The Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act passed the House and will now be sent to the Senate. The bill includes assistance to state and local governments, hazard pay for frontline health care workers, forgiveness of student debt, provisions to assist farmers, protect renters and homeowners from evictions and foreclosures, and extend family and medical leave provisions previously approved by Congress. A breakdown of what is in the HEROES Act can be found below:

Financial Services and Government Assistance:

- \$500 billion in funding to assist state governments
- \$375 billion in funding to assist local governments
- \$20 billion in funding to assist Tribal governments
- Community Development Financial Institutions (CDFI) – \$1 billion for economic support and recovery in distressed communities by providing financial and technical assistance to CDFIs.
- \$10 billion in grants to small businesses that have suffered financial losses as a result of the coronavirus outbreak.
- \$75 billion to states, territories, and tribes to address the ongoing needs of homeowners struggling to afford their housing due directly or indirectly to the impacts of the pandemic by providing direct assistance with mortgage payments, property taxes, property insurance, utilities, and other housing related costs.

Taxes:

- Employee Retention Credit: Replace the 100-employee threshold for determining the relevant qualified wage base with a new definition of a large employer.

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- Provides a 30% refundable payroll tax credit for expenses reimbursed or paid for the benefit of an employee for reasonable and necessary personal, family, living, or funeral expenses incurred as a result of the presidentially declared disaster related to COVID-19.
- Expands the CARES Act's employee retention tax credit, increasing the credit from 50% to 80% of qualified wages and increasing the employee wage limit from \$10,000 per year to \$15,000 per quarter.
- Provides a 50% refundable payroll tax credit for qualified fixed costs.
- Provides a 90% refundable individual income tax credit for certain self-employed individuals who have experienced a significant loss of income.
- Allow deductions for expenses paid or incurred with proceeds from the PPP loans that are ultimately forgiven and would allow SBA PPP loan participants to defer payment of eligible payroll taxes, even after the date of forgiveness. In addition, all nonprofits would be eligible for SBA PPP loans (currently, only 501(c)(3), (19) and tribal organizations are eligible).

Business Support:

- Expands the Small Business Administration's (SBA) Paycheck Protection Program (PPP) to include all nonprofits; provides another \$659 billion for the PPP as well as an additional \$10 billion for the Economic Injury Disaster Loan program at the SBA.

Worker Protections and Support to Individuals:

- \$200 billion "Heroes' fund" to provide hazard pay to workers deemed essential during the pandemic.
- Second round of \$1,200 stimulus checks to certain Americans, up to \$6,000 per household.
- Extends additional \$600 per week for unemployment insurance through January 31, 2021.
- Requires the Occupational Safety and Health Administration to require all workplaces to implement infection control plans.
- \$3.1 billion for workforce training at the Department of Labor.
- \$175 billion in housing assistance, including \$100 billion in emergency assistance for low-income renters.
- \$10 billion for the Supplemental Nutrition Assistance Program as well as a 15% increase to the maximum SNAP benefit.
- Up to \$10,000 in student loan forgiveness.

Food & Ag:

- For a breakdown of the food and ag provisions click [here](#).

Republican senators have indicated the bill is dead on arrival once it reaches the Senate. Senate Majority Leader Mitch McConnell previously said he believes it's time to hit "pause" on negotiating the next round of coronavirus legislation. Congress previously passed four coronavirus-related bills, including a \$2 trillion relief bill. In an interview on Fox News Thursday, McConnell indicated the next phase of legislation would come after negotiations between Senate Republicans and the White House. In a statement from the White House today, If the bill were presented to President Trump, his advisers would recommend he veto it.

The House also voted on a rule change that allows members to vote by proxy, meaning that a member present at the Capitol would be able to cast a vote on behalf of an absent colleague. The pandemic has raised concerns about having lawmakers gather to vote, particularly since many members of Congress are older than 60 and therefore more vulnerable to serious illness caused by the virus.

House Republicans expressed their opposition to this rule change, arguing that members of Congress are essential workers and should return to the Capitol.

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