

AMERICAN RESCUE PLAN

TAX PROVISIONS FOR FAMILIES: (3/5/21-AM Update)

- An increase in the **Child Tax Credit (CTC)**, raising the credit to \$3600 per year per child under the age of six and \$3000 per year per child six through 17 years of age.
 - The credit would be refundable,
 - Would also extend the credit, for the first time, to children aged 17.
 - Single persons making \$75,000 and couples making \$150,000 will receive full amount.
 - Starting in July, families would receive this on a monthly basis (or periodically if the IRS can't do it monthly) so that half will be awarded from July-December 2021 with the rest awarded next year through annual filing.
 - The CTC will be for U.S. territories and allowing families in Puerto Rico, including those with fewer than three children, through filing with the IRS.

- \$1,400 **direct payment (rebate or recovery)** per adult and an additional \$1,400 per dependent including for both children and non-child dependents.

(Senate changes any single person making \$80,000 and couples making \$160,000 being completely phased out)

- The **Earned Income Tax Credit (EITC)** for taxpayers with no children
 - The maximum credit amount increases in 2021, from \$543 to \$1,502.
 - Reducing the minimum age for the credit from 25 to 19 (except for full-time students) and eliminating the upper age limit allowing qualifying childless workers who are age 65 and above to qualify.
 - A match of up to 3X the current cost of Puerto Rico's EITC if Puerto Rico expands its credit, and covering 100% of the cost of other U.S. territories' EITC.

- The **Child and Dependent Care Tax Credit (CDCTC)**
 - Expands the credit to cover half of the child care (dependent care) costs up to \$4,000 for one child and \$8,000 for two or more children.
 - The credit is refundable.
 - Allows families making less than \$125,000 a year to be eligible for the full 50% credit. The credit begins to phase out at \$125,000.

CHILD CARE, EARLY CHILDHOOD EDUCATION, EDUCATION:

- ***K-12 and College Education*** to re-open schools
 - \$130 billion for K-12 school reopening activities including implementing recommendations from the Centers for Disease Control and Prevention including such priorities as repairing ventilation systems, reduced class sizes for social distancing, purchasing PPE, and hiring additional staff to support students.
 - Requires states and school districts to dedicate a significant portion of funds to address learning loss.
 - \$40 billion for colleges and universities with public and non-profit institutions using at least half of the funding for emergency financial aid grants to students to help them meet basic needs like housing, food, child care, and health care.
(Senate adds small amount --\$2.7 billion--designated for private schools and a set aside for summer learning, extended day, afterschool to address learning loss)
- ***Child care funding*** to help hard-hit child care providers and to expand family assistance
 - \$25 billion in emergency stabilization funds to help hard-hit child care providers in danger of closing. It will assist providers that have had to shut down to meet financial obligations, help providers pay for rent, utilities, and payroll, as well as increased costs due to the pandemic including personal protective equipment (PPE), ventilation supplies, smaller group sizes, and modifications to make the physical environment safer.
 - \$15 billion in funding to help families including for those who experienced a job interruption during the COVID-19 pandemic and are struggling to afford child care. This additional assistance with child care costs will help the disproportionate number of women who left the labor force to take on caregiving duties reenter the workforce.

HEALTH CARE, VACINATIONS, COVID-19 MEASURES

- \$50 billion for ***testing***, genomic sequencing of variants, and contact tracing as well as manufacturing and procurement of PPE.
- \$20 billion for improving ***vaccine administration and distribution***.
- \$10 billion for the Defense Production Act to purchase essential PPE and other medical equipment.
- \$8 billion for ***public health workforce*** development
- Providing incentives for states to expand Medicaid by increasing federal matching fund increases which could provide health insurance coverage to nearly 4 million including 640,000 frontline or essential workers.
- Subsidizing continuation health coverage (COBRA) for those who have lost their employer-sponsored coverage.

- Increased tax credits through the ACA to reduce premium costs for families at 150 percent to 400 percent of poverty.
- Over \$11 billion for **health equity including**:
 - \$7.6 billion for community health centers, and Native Hawaiian Health Centers
 - \$3.3 billion for the Indian Health Service
 - \$250 million for nursing home strike teams to manage COVID-19 outbreaks and \$200 million for infection control in nursing homes.
 - \$188 million to protect the elderly and fight elder abuse
 - \$50 million for the Title X Family Planning Program
 - Allowing states to provide Medicaid coverage for one year postpartum to address the maternal health crisis disproportionately affecting communities of color.
 - Increased federal support through Medicaid for home- and community-based services.
- \$4 billion in funding to increase access to **mental health and substance use disorder** services, treatment, and prevention services:
 - \$3.5 billion for the Substance Abuse Prevention and Treatment and Community Mental Health Block Grants
 - \$420 million to the Indian Health Service for behavioral health services
 - \$140 million to develop a program to support providers' mental health and decrease burnout of providers and public safety officers.
 - \$100 million to the Behavioral Health Workforce Education and Training Program to train behavioral health paraprofessionals, such as peer support specialists.
 - \$80 million in new grants for community-based and behavioral health organizations.
 - \$50 million to support youth mental health and suicide prevention.
 - \$20 million youth suicide prevention.
 - \$10 million for the National Childhood Traumatic Stress Network.

STATE AND LOCAL RELIEF

- \$195.3 billion for the **states and District of Columbia**
 - Each state will get at least \$500 million.
 - The remaining of \$169 billion will be awarded based on unemployed workers
- \$130.2 billion for **local governments**
 - \$45 billion for municipalities of at least 50,000 people
 - \$19 billion for municipalities of less than 50,000 people
 - \$65 billion for counties

(Senate may shave local funds by \$10 billion and designate for "infrastructure" and recast formula)
- \$4.5 billion for Territories
- \$20 billion **Tribal governments** (see below)
- \$45 billion for transportation support:

- \$30 billion for the Federal Transit Administration to provide grants to transit agencies for operating expenses to maintain payroll for employees and contractors.
- \$8 billion for the Federal Aviation Administration to provide grants to airports for operations and debt service costs and other expenses.
- \$3 billion for the Economic Development Administration for grants to economically distressed communities based on the impact of the pandemic.
- \$1.5 billion for the Federal Railroad Administration to provide additional grants to the National Railroad Passenger Corporation.

TRIBAL COMMUNITIES AND GOVERNMENTS

- \$31 billion total relief
 - \$20 billion for tribal governments to support pandemic response and increase access to personal protective equipment, Internet connectivity, clean water, and electricity in Indian Country.
 - \$6 billion for the Indian Health Service
 - \$900 million for Bureau of Indian Affairs programs
 - \$1.1 billion for Native education programs, including the Bureau of Indian Education schools, Tribal education agencies, Tribal Colleges and Universities, Native Hawaiian education programs, and Alaska Native education programs
 - \$1.248 billion for HUD Tribal & Native Hawaiian housing programs
- \$20 million to mitigate the impact of COVID-19 on Native languages
- (additional funding through various set-asides)

PERSONAL AND EMERGENCY HELP

- Extends *emergency unemployment insurance* programs through August 29.
 - Includes the coverage for self-employed workers, gig workers, and others in non-traditional employment.
 - Includes unemployment compensation for workers who have exhausted their state benefits. It also extends the length of time
 - Expanded unemployment that would run through September and increase the supplement from the current \$300 to \$400.
(Senate debating extension, \$400 likely to remain the same)
- \$35 billion in *rental and homeowner's assistance*
 - \$20 billion in emergency rental assistance to help renters and small landlords.
 - \$9.9 billion to aid homeowners struggling to afford their mortgage payments, utility bills, and other housing costs.
 - \$5 billion to secure shelter for the homeless.
- *Food and Nutrition Assistance* programs and services

- Extends the COVID-19 15% benefit increase in the Supplemental Nutrition Assistance Program (SNAP) through the end of September.
 - Extends the Pandemic-Electronic Benefit Transfer (P-EBT) benefits through the health emergency to allow families with children to receive school meals to purchase more easily.
 - Provides \$25 million to invest in technological to expand access for families to use their SNAP benefits online.
 - Increases the Supplemental Assistance for Women, Infants, and Children (WIC) vouchers for fruits and vegetables to \$35 per month for 4 months.
 - Provides \$1 billion for nutrition assistance to the Territories.
- ***Temporary Assistance for Needy Families (TANF)***
 - \$1 billion in additional TANF funding allocated to states based on cash assistance provided with states outlining how the assistance will be used.
- ***Home Visiting***
 - \$150 million for the Maternal, Infant, and Early Childhood Home Visiting Program
- ***Child Abuse Prevention and Treatment Act (CAPTA)***
 - \$100 million for Title I state grants
 - \$250 million for Title II Community-Based Child Abuse Prevention grants
- ***Veterans Support and Assistance***
 - More than \$13.5 billion in government funding for health care and additional resources and services
 - \$400 million to help get veterans back to work for up to 12 months of rapid retraining assistance and a housing allowance for unemployed veterans due to the pandemic.
 - Provides VA \$272 million to mitigate the backlog in claims processing caused by the pandemic.
 - \$100 million in funding to accelerate VA's supply chain modernization to improve public health emergency response.

SMALL BUSINESS SUPPORT

- Provides an additional \$7.25 billion for the Paycheck Protection Program (PPP) and expands eligibility for nonprofits and digital news outlets.
- \$15 billion for the Targeted Economic Injury Disaster Loan (EIDL) Advance program to help the hardest-hit small businesses.

- A \$25 billion Restaurant Revitalization Fund, to provide grants to help local restaurants keep their doors open and keep their workers employed.
- Creates a Community Navigator pilot program to improve access to COVID-19 relief, especially for underserved communities.
- \$1.25 billion for the Shuttered Venue Operators Grant Program to support live entertainment venues.
- Extends the State Small Business Credit Initiative and provides \$10 billion in new funding for the program to help small businesses grow and create jobs.
- \$4 billion to address major pandemic-related disruptions throughout the food supply chain; invest in new infrastructure for farmers, food processors, and farmers markets and to monitor COVID-19 in animals; and support small meat and poultry processors, protect food and farm workers.
- \$5 billion in debt relief and assistance for farmers of color who have faced widespread and longstanding discrimination and have seen disproportionate impacts from the pandemic.