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## Senate Approves \$2T COVID-19 Economic Relief Bill

By [Stephen Cooper](#)

Law360 (March 25, 2020, 10:10 PM EDT) -- Senate lawmakers voted late Wednesday to pass bipartisan legislation designed to pump \$2 trillion into the U.S. economy to help millions of American workers and businesses survive the effects of the novel coronavirus pandemic gripping the country.

After days of false starts and intense closed-door negotiations with Treasury Secretary Steven Mnuchin, lawmakers voted 96 to 0 to approve the Coronavirus Aid, Relief and Economic Security Act, or H.R. 748. The legislation is intended to help millions of unemployed workers survive a public health crisis that has quickly shut down entire sectors of the American economy and pushed health care providers to the brink of capacity while treating COVID-19, the illness caused by the coronavirus.

The legislation, which would provide roughly \$250 billion in rebate checks to most Americans, help struggling businesses meet payrolls, correct errors in the 2017 tax law and prop up state and local relief efforts, could receive a House vote as early as Friday.

House and Senate leaders said they [reached an agreement](#) with Treasury Secretary Steven Mnuchin early Wednesday on the bill, but a group of four Republican senators, including Senate Finance Committee member Tim Scott of South Carolina, said the bill needed more work before the Senate could consider a vote.

Under the proposed expansion of unemployment insurance, laid-off employees might be tempted to remain out of work if the combination of state and federal unemployment benefits — which would total more than \$900 a week — might be higher than their salaries in some cases, the lawmakers said.

The Senate voted 48 to 48 to reject an amendment that would have changed the unemployment benefits before voting to pass the legislation.

Under the bill, the [Internal Revenue Service](#) would send \$1,200 to individuals and \$2,400 to couples filing joint tax returns. The payments would be reduced for those with incomes above \$75,000, or \$150,000 for couples, and would be eliminated for those with incomes of more than \$99,000, or \$198,000 for couples.

Rebate amounts would be offset by the amount of unpaid tax debts owed by taxpayers, according to the legislation. A Senate Finance Committee aide said the rebate checks would be delivered electronically, likely beginning by April 6, with several extra weeks expected for mailing paper checks or debit cards.

The measure would set aside \$150 billion for states and localities whose tax revenues would be affected by moving the federal tax filing date from April 15 to July 15. The bill also includes \$130 billion to help hospitals, nursing homes and other health care facilities weather the crisis, according to the summary.

The bill also allows for the appointment of an inspector general and a congressional oversight board to scrutinize grants and loans made by the [U.S. Department of the Treasury](#) to businesses to help address



the impact of COVID-19, the summary shows.

The legislation would provide a refundable payroll tax credit for 50% of employer wages for companies that were fully or partly prohibited from operating during the crisis. It would also waive the 10% early withdrawal penalty for retirement fund distributions up to \$100,000 made on or after Jan. 1, 2020, and before Dec. 31, 2020.

Employers would be able to provide a tax-free student loan repayment benefit of as much as \$5,250 annually toward an employee's student loans. The payments would not count as income.

The bill would limit corporate stock buybacks and executive pay for airlines that receive grants or loans from the federal government in order to stay afloat. It would also fix the so-called retail glitch by allowing retailers to immediately write off expenses related to physical improvements instead of depreciating them over 39 years.

The bill would also provide that businesses can carry back losses from 2018, 2019 and 2020 for up to five years. In addition, net operating losses temporarily would not be subject to a taxable income limit, meaning they could fully offset income.