

Coronavirus Relief & Omnibus Agreement

(Note: This DOES NOT include 100% of the items in the 5593 page bill. However, we have highlighted key areas to support your small business).

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Summary Of Major Sections

(Note: This DOES NOT include 100% of the items in the 5593 page bill. However, we have highlighted key areas to support your small business clients).

Secs. 272-273. Additional 2020 recovery rebates for individuals. ([Draft Bill \(Adobe PDF Page 1966\)](#))

The provision provides a refundable tax credit in the amount of \$600 per eligible family member. The credit is \$600 per taxpayer (\$1,200 for married filing jointly), in addition to \$600 per qualifying child. The credit phases out starting at \$75,000 of modified adjusted gross income (\$112,500 for heads of household and \$150,000 for married filing jointly) at a rate of \$5 per \$100 of additional income.

Sec. 274. Extension of certain deferred payroll taxes. ([Draft Bill \(Adobe PDF Page 2003\)](#))

On August 8, 2020, the President of the United States issued a memorandum to allow employers to defer withholding employees' share of social security taxes or the railroad retirement tax equivalent from September 1, 2020 through December 31, 2020, and required employers to increase withholding and pay the deferred amounts ratably from wages and compensation paid between January 1, 2021 and April 31, 2021. Beginning on May 1, 2021, penalties and interest on deferred unpaid tax liability will begin to accrue.

The provision extends the repayment period through December 31, 2021. Penalties and interest on deferred unpaid tax liability will not begin to accrue until January 1, 2022.

Sec. 276. Clarification of tax treatment of Paycheck Protection Program loans. ([Draft Bill \(Adobe PDF Page 2004\)](#))

The provision clarifies that gross income does not include any amount that would otherwise arise from the forgiveness of a Paycheck Protection Program (PPP) loan. This provision also clarifies that deductions are allowed for otherwise deductible expenses paid with the proceeds of a PPP loan that is forgiven, and that the tax basis and other attributes of the borrower's assets will not be reduced as a result of the loan forgiveness. The provision is effective as of the date of enactment of the CARES Act. The provision provides similar treatment for Second Draw PPP loans, effective for tax years ending after the date of enactment of the provision.

Sec. 277. Emergency financial aid grants. ([Draft Bill \(Adobe PDF Page 2006\)](#))

The provision provides that certain emergency financial aid grants under the CARES Act are excluded from the gross income of college and university students. The provision also holds students harmless for purposes of determining eligibility for the American Opportunity and Lifetime Learning tax credits. The provision is effective as of the date of enactment of the CARES Act.

Sec. 278. Clarification of tax treatment of certain loan forgiveness and other business financial assistance under the coronavirus relief legislation. ([Draft Bill \(Adobe PDF Page 2008\)](#))

The provision clarifies that gross income does not include forgiveness of certain loans, emergency EIDL grants, and certain loan repayment assistance, each as provided by the CARES Act. The provision also clarifies that deductions are allowed for otherwise deductible expenses paid with the amounts not included in income by this section, and that tax basis and other attributes will not be reduced as a result of those amounts being excluded from gross income. The provision is effective for tax years ending after date of enactment of the CARES Act. The provision provides similar treatment for Targeted EIDL advances and Grants for Shuttered Venue Operators, effective for tax years ending after the date of enactment of the provision.

Sec. 286. Extension of credits for paid sick and family leave. ([Draft Bill \(Adobe PDF Page 2033\)](#))

The provision extends the refundable payroll tax credits for paid sick and family leave, enacted in the Families First Coronavirus Response Act, through the end of March 2021. It also modifies the tax credits so that they apply as if the corresponding employer mandates were extended through the end of March 2021. This provision is effective as if included in FFCRA.

Sec. 287. Election to use prior year net earnings from self-employment in determining average daily and self-employment income for purposes of credits for paid sick and family leave. ([Draft Bill \(Adobe PDF Page 2038\)](#))

Allows individuals to elect to use their average daily self-employment income from 2019 rather than 2020 to compute the credit. This provision is effective as if included in FFCRA.

Sec. 304: Additional Eligible Expenses. ([Draft Bill \(Adobe PDF Page 2043\)](#))

Makes the following expenses allowable and forgivable uses for Paycheck Protection Program funds:

- Covered operations expenditures. Payment for any software, cloud computing, and other human resources and accounting needs.
- Covered property damage costs. Costs related to property damage due to public disturbances that occurred during 2020 that are not covered by insurance.
- Covered supplier costs. Expenditures to a supplier pursuant to a contract, purchase order, or order for goods in effect prior to taking out the loan that are essential to the recipient's operations at the time at which the expenditure was made. Supplier costs of perishable goods can be made before or during the life of the loan.
- Covered worker protection expenditure. Personal protective equipment and adaptive investments to help a loan recipient comply with federal health and safety guidelines or any equivalent State and local guidance

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related to COVID-19 during the period between March 1, 2020, and the end of the national emergency declaration.

Sec. 306: Selection of Covered Period for Forgiveness. ([Draft Bill \(Adobe PDF Page 2054\)](#))

Allows the borrower to elect a covered period ending at the point of the borrower's choosing between 8 and 24 weeks after origination

Sec. 307: Simplified Application. ([Draft Bill \(Adobe PDF Page 2055\)](#))

Creates a simplified application process for loans under \$150,000 such that:

- A borrower shall receive forgiveness if a borrower signs and submits to the lender a certification that is not more than one page in length, includes a description of the number of employees the borrower was able to retain because of the covered loan, the estimated total amount of the loan spent on payroll costs, and the total loan amount. The borrower must also attest that borrower accurately provided the required certification and complied with Paycheck Protection Program loan requirements. SBA must establish this form within 24 days of enactment and may not require additional materials unless necessary to substantiate revenue loss requirements or satisfy relevant statutory or regulatory requirements. Additionally, borrowers are required to retain relevant records related to employment for four years and other records for three years. The Administrator may review and audit these loans to ensure against fraud.
- At the discretion of the borrower, the borrowers may complete and submit demographic information for all PPP loans.
- The SBA must submit to the Senate and House Small Business Committees a report 45 days after enactment detailing their review and forgiveness audit plan to mitigate risk of fraud and provide monthly reviews and audit updates thereafter.
- Applies to loans made before, on, or after the date of enactment, including the forgiveness of the loan.

Sec. 308: Specific Group Insurance Payments as Payroll Costs. ([Draft Bill \(Adobe PDF Page 2061\)](#))

Clarifies that other employer-provided group insurance benefits are included in payroll costs. This includes, group life, disability, vision, or dental insurance.

Applies to loans made before, on, or after the date of enactment, including the forgiveness of the loan

Sec. 310: Clarification of and Additional Limitations on Eligibility. ([Draft Bill \(Adobe PDF Page 2062\)](#))

Clarifies that a business or organization that was not in operation on February 15, 2020 shall not be eligible for an initial PPP loan and a second draw PPP loan.

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Prohibits eligible entities that receive a grant under the Shuttered Venue Operator Grants from obtaining a PPP loan.

Sec. 311: Paycheck Protection Program Second Draw Loans. ([Draft Bill \(Adobe PDF Page 2064\)](#))

Creates a second loan from the Paycheck Protection Program, called a “PPP second draw” loan for smaller and harder-hit businesses, with a maximum amount of \$2 million.

Eligibility. ([Draft Bill \(Adobe PDF Page 2065\)](#))

In order to receive a Paycheck Protection Program loan under this section, eligible entities must:

- Employ not more than 300 employees;
- Have used or will use the full amount of their first PPP; and
- Demonstrate at least a 25 percent reduction in gross receipts in the first, second, or third quarter of 2020 relative to the same 2019 quarter. Provides applicable timelines for businesses that were not in operation in Q1, Q2, and Q3, and Q4 of 2019. Applications submitted on or after January 1, 2021 are eligible to utilize the gross receipts from the fourth quarter of 2020.

Eligible entities must be businesses, certain non-profit organizations, housing cooperatives, veterans’ organizations, tribal businesses, self-employed individuals, sole proprietors, independent contractors, and small agricultural co-operatives.

Ineligible entities include: entities listed in 13 C.F.R. 120.110 and subsequent regulations except for entities from that regulation which have otherwise been made eligible by statute or guidance, and except for nonprofits and religious organizations; entities involved in political and lobbying activities including engaging in advocacy in areas such as public policy or political strategy or otherwise describes itself as a think tank in any public document, entities affiliated with entities in the People’s Republic of China; registrants under the Foreign Agents Registration Act; and entities that receive a grant under the Shuttered Venue Operator Grant program.

Loan terms. ([Draft Bill \(Adobe PDF Page 2070\)](#))

In general, borrowers may receive a loan amount of up to 2.5X the average monthly payroll costs in the one year prior to the loan or the calendar year. No loan can be greater than \$2 million.

- Seasonal employers may calculate their maximum loan amount based on a 12-week period beginning February 15, 2019 through February 15, 2020.
- New entities may receive loans of up to 2.5X the sum of average monthly payroll costs.

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- Entities in industries assigned to NAICS code 72 (Accommodation and Food Services) may receive loans of up to 3.5X average monthly payroll costs.
- Businesses with multiple locations that are eligible entities under the initial PPP requirements may employ not more than 300 employees per physical location.
- Waiver of affiliation rules that applied during initial PPP loans apply to a second loan.
- An eligible entity may only receive one PPP second draw loan.
- Fees are waived for both borrowers and lenders to encourage participation.
- For loans of not more than \$150,000, the entity may submit a certification attesting that the entity meets the revenue loss requirements on or before the date the entity submits their loan forgiveness application and non-profit and veterans organizations may utilize gross receipts to calculate their revenue loss standard.

Loan forgiveness. ([Draft Bill \(Adobe PDF Page 2076\)](#))

Borrowers of a PPP second draw loan would be eligible for loan forgiveness equal to the sum of their payroll costs, as well as covered mortgage, rent, and utility payments, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures incurred during the covered period. The 60/40 cost allocation between payroll and non-payroll costs in order to receive full forgiveness will continue to apply.

Lender eligibility. ([Draft Bill \(Adobe PDF Page 2079\)](#))

A lender approved to make loans under initial PPP loans may make covered loans under the same terms and conditions as the initial loans.

Lender compensation. ([Draft Bill \(Adobe PDF Page 2080\)](#))

The Administrator is authorized to reimburse a lender by a tiered structure: For loans up to \$50,000, the lender processing fee will be the lesser of 50 percent of the principal amount or \$2,500. For loans between \$50,000 and \$350,000, the lender fee will be five percent. For loans \$350,000 and above, the lender fee will be three percent.

Guidance to prioritize underserved communities. Directs the Administrator to issue guidance addressing barriers to access to capital for underserved communities no later than 10 days after enactment.

Standard Procedures. ([Draft Bill \(Adobe PDF Page 2080\)](#))

Directs the SBA to allow lenders to approve loans made under this paragraph utilizing existing program guidance and standard operating procedure, to the maximum extent possible, as the standard SBA 7(a) program.

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Churches and religion organizations. ([Draft Bill \(Adobe PDF Page 2083\)](#))

Expresses the sense of Congress that the Administrator's guidance clarifying the eligibility of churches and religious organizations was proper and prohibits the application of regulations otherwise rendering ineligible businesses principally engaged in teaching, instructing, counseling, or indoctrinating religion or religious beliefs. Codifies that the prohibition on eligibility in 13 CRF 120.110(k) shall not apply for initial and second draw loans.

Application of Exemption Based on Employee. ([Draft Bill \(Adobe PDF Page 2435\)](#))

Extends existing safe harbors on restoring FTE and salaries and wages. Specifically, applies the rule of reducing loan forgiveness for the borrower reducing the number of employees retained and reducing employees' salaries in excess of 25 percent. Allows the SBA and Treasury Department to jointly modify any date in section 7A(d) consistent with the purposes of the Paycheck Protection Program.

Sec. 312: Increased Ability for Paycheck Protection Program Borrowers to Request an Increase in Loan Amount Due to Updated Regulations. ([Draft Bill \(Adobe PDF Page 2083\)](#))

Requires the Administrator to release guidance to lenders within 17 days of enactment that allows borrowers who returned all or part of their PPP loan to reapply for the maximum amount applicable so long that they have not received forgiveness.

Additionally, this section allows borrowers whose loan calculations have increased due to changes in interim final rules to work with lenders to modify their loan value regardless of whether the loan has been fully disbursed, or if Form 1502 has already been submitted.

Sec. 313: Calculation of Maximum Loan Amount for Farmers and Ranchers under the Paycheck Protection Program. ([Draft Bill \(Adobe PDF Page 2086\)](#))

Establishes a specific loan calculation for the first round of Paycheck Protection Program loans for farmers and ranchers who operate as a sole proprietor, independent contractor, self-employed individual, who report income and expenses on a Schedule F, and were in business as of February 15, 2020. These entities may utilize their gross income in 2019 as reported on a Schedule F. Lenders may recalculate loans that have been previously approved to these entities if they would result in a larger loan.

Applies to PPP loans before, on, or after the date of enactment, except for loans that have already been forgiven.

Sec. 315: Definition of a Seasonal Employer. ([Draft Bill \(Adobe PDF Page 2092\)](#))

Defines a seasonal employer to be an eligible recipient which: (1) operates for no more than seven months in a year, or (2) earned no more than 1/3 of its receipts in any six months in the prior calendar year.

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Applies to any loan made before, on or after enactment including the forgiveness of the loan.

Sec. 323: Commitment Authority and Appropriations. ([Draft Bill \(Adobe PDF Page 2115\)](#))

Extends the time of the program to March 31, 2021. Sets the authorization level for PPP at \$806.5 billion.

Separates regular 7(a) and PPP loans to ensure the continued operation of the 7(a) program by setting an authorization level of \$75 billion and clarifies the 7(a) program level and secondary market cap.

Direct appropriations:

- \$284.45 billion for PPP, including the following set-asides:
 - Lenders:
 - \$15 billion for PPP loans (initial and second draw) issued by community financial institutions, including community development financial institutions (CDFIs) and minority depository intuitions (MDIs);
 - \$15 billion for PPP loans (initial and second draw) issued by certain small depository institutions.
 - Borrowers:
 - \$35 billion for first-time borrowers, \$15 billion of which for smaller, first-time borrowers with 10 or fewer employees, or loans less than \$250,000 in low-income areas;
 - \$25 billion for second draw PPP loans for smaller borrowers with 10 or fewer employees, or loans less than \$250,000 in low-income areas.
 - After 25 days, the SBA Administrator may adjust the set-asides as necessary.
- \$25 million for the Minority Business Development Centers program under the Minority Business Development Agency (MBDA);
- \$50 million for PPP auditing and fraud mitigation purposes;
- \$20 billion for the Targeted EIDL Advance program, of which \$20 million for the Inspector General;
- \$57 million for the Microloan program as described in section 29;
- \$1.9 billion to carry out sections 26, 27, and 28;
- \$3.5 billion for the Debt Relief program as described in section 25;
- \$15 billion for grants for live venues as described in section 24.

Sec. 324: Grants for Shuttered Venue Operators. ([Draft Bill \(Adobe PDF Page 2124\)](#))

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Authorizes \$15 billion for the SBA to make grants to eligible live venue operators or promoters, theatrical producers, live performing arts organization operators, museum operators, motion picture theatre operators, or talent representatives who demonstrate a 25 percent reduction in revenues.

There is a set-aside of \$2 billion for eligible entities that employ not more than 50 full-time employees, and any amounts from this set-aside remaining after sixty days from the date of implementation of this program shall become available to all eligible applicants under this section.

The SBA may make an initial grant of up to \$10 million dollars to an eligible person or entity and a supplemental grant that is equal to 50 percent of the initial grant.

In the initial 14-day period of implementation of the program, grants shall only be awarded to eligible entities that have faced 90 percent or greater revenue loss. In the 14-day period following the initial 14-day period, grants shall only be awarded to eligible entities that have faced 70 percent or greater revenue loss. After these two periods, grants shall be awarded to all other eligible entities.

Such grants shall be used for specified expenses such as payroll costs, rent, utilities, and personal protective equipment.

Requires the Administrator to conduct increased oversight of eligible persons and entities receiving these grants. Requires the SBA to submit a report to the Senate and House Small Business Committees 45 days after enactment detailing their oversight and audit plan for shuttered venue grants and to provide monthly updates on the oversight and audit activities conducted by the Administrator.

Sec. 326: Modifications to 7(a) Loan Programs. ([Draft Bill \(Adobe PDF Page 2164\)](#))

Increases to 90 percent the loan guarantee amount on 7(a) loans, including for Community Advantage loans, until October 1, 2021.

Increases the Express Loan amount from \$350,000 to \$1 million on January 1, 2021, and then reverts permanently to a lower amount of \$500,000 on October 1, 2021.

The Express Loan guaranty amount for loans of \$350,000 and less is temporarily increased from 50 percent to 75 percent, and for loans above \$350,000 the guarantee remains at 50 percent. On October 1, 2021, the guarantee reverts to 50 percent for all Express Loans.

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Sec. 331: Targeted EIDL Advance for Small Business Continuity, Adaptation, and Resiliency. ([Draft Bill \(Adobe PDF Page 2184\)](#))

Provides additional targeted funding for eligible entities located in low-income communities through the EIDL Advance program from Section 1110 of the CARES Act.

Makes entities in low-income communities that received an EIDL Advance under Section 1110 of the CARES Act eligible to receive an amount equal to the difference of what the entity received under the CARES Act and \$10,000.

Provides \$10,000 grants to eligible applicants in low-income communities that did not secure grants because funding had run out.

Sec. 332: Emergency EIDL Grants. ([Draft Bill \(Adobe PDF Page 2190\)](#))

Extends covered period for Emergency EIDL grants through December 31, 2021. Allows more flexibility for the SBA to verify that Emergency EIDL grant applicants have submitted accurate information. Extends time for SBA to approve and disburse Emergency EIDL grants from 3 to 21 days.

Sec. 333: Repeal of EIDL Advance Deduction. ([Draft Bill \(Adobe PDF Page 2193\)](#))

Repeals section 1110(e)(6) of the CARES Act, which requires PPP borrowers to deduct the amount of their EIDL advance from their PPP forgiveness amount.

Establishes the Sense of Congress that EIDL Advance borrowers should be made whole without regard to whether those borrowers are eligible for PPP forgiveness.

The Administrator shall issue rules that ensure borrowers are made whole if they received forgiveness and their EIDL was deducted from that amount.

Sec. 336: Election of 12-week Period by Seasonal Employers. ([Draft Bill \(Adobe PDF Page 2197\)](#))

Expands the seasonal period to any 12-weeks between February 15, 2019 and February 15, 2020.

Applies to loans before, on, or after the date of enactment, except for loan for which the borrower has already received forgiveness.

Sec. 339: Interest Calculation on Covered Loans. ([Draft Bill \(Adobe PDF Page 2199\)](#))

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Clarifies the interest rate on PPP loans is non-compounding and non-adjustable for all new initial Paycheck Protection Program loans and second draw loans.

Sec. 340: Reimbursement for Processing. ([Draft Bill \(Adobe PDF Page 2200\)](#))

Clarifies PPP borrowers who knowingly retained a loan agent may not pay agent fees out of the PPP proceeds. This applies to PPP loan before, on, or after the date of enactment, including during forgiveness of such loan.

Establishes a tiered reimbursement rate for PPP loans: (1) Loans of less than \$50,000 that is equal to the lesser of 50 percent of the loan principal or \$2,500; (2) loans of more than \$50,000 and not more than \$350,000 equal to five percent of the loan principal; (3) loans of more than \$350,000 and less than \$2,000,000 equal to three percent of the loan principal; and (4) loans of more than \$2,000,000 equal to one percent.

Sec. 341: Duplication Requirements for Economic Injury Disaster Loan Recipients. ([Draft Bill \(Adobe PDF Page 2203\)](#))

Permits certain EIDL borrowers to also apply for a PPP loan.

Sec. 342: Prohibition of Eligibility for Publicly Traded Companies. ([Draft Bill \(Adobe PDF Page 2203\)](#))

Excludes publicly traded companies from PPP eligibility.

Sec. 343: Covered Period for New PPP Loans. ([Draft Bill \(Adobe PDF Page 2204\)](#))

Extends the covered period for all PPP loans through March 31, 2021. Applies to loans made before, on, or after the date of enactment, including the forgiveness of such loan.

Sec. 344: Covered Period for Other Purposes. ([Draft Bill \(Adobe PDF Page 2205\)](#))

Clarifies the applicable period for employee's salaries of \$100,000 on an annualized basis as prorated during the period in which compensation is paid or incurred.

Sec. 1005: Termination of Authority for Main Street Lending Program ([Draft Bill \(Adobe PDF Page 2464\)](#))

After December 31, 2020, the Board of Governors of the Federal Reserve System and the Federal Reserve banks shall not make any loan, purchase any obligation, asset, security, or other interest, or make any extension of credit through any program or facility established under section 13(3) of the Federal Reserve Act (12 U.S.C. 343(3)) in which the Secretary made a loan, loan guarantee, or other investment pursuant to section 4003(b)(4), other than a loan submitted, on or before December 14, 2020, to the Main Street Lending Program's lender portal for the sale of a participation interest in such loan, provided that the Main Street Lending Program purchases a participation interest in such loan on or before January 8, 2021

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and under the terms and conditions of the Main Street Lending Program as in effect on the date the loan was submitted to the Main Street Lending Program's lender portal for the sale of a participation interest in such loan

Title I: Extension of Certain Expiring Provisions

Certain Provisions Made Permanent [\(Draft Bill \(Adobe PDF Page 4872\)\)](#)

Sec. 101. Reduction in medical expense deduction floor. [\(Draft Bill \(Adobe PDF Page 4872\)\)](#)

Remains permanent at 7.5 percent. Apply to taxable years beginning after December 31, 2020

Sec. 102. Energy efficient commercial buildings deduction. [\(Draft Bill \(Adobe PDF Page 4872\)\)](#)

Deduction made permanent. Adjusted for inflation

Sec. 104. Transition from deduction for qualified tuition and related expenses to increased income limitation on lifetime learning credit. [\(Draft Bill \(Adobe PDF Page 4876\)\)](#)

Limitations will be the excess of the taxpayer's modified adjusted gross income for such taxable year, over \$80,000 (\$160,000 in the case of a joint return), which bears to \$10,000 (\$20,000 in the case of a joint return). Repeal of deduction for qualified tuition and related expenses. Apply to taxable years beginning after December 31, 2020

Sec. 105. Railroad track maintenance credit. [\(Draft Bill \(Adobe PDF Page 4877\)\)](#)

MODIFICATION OF CREDIT RATE.—Section 45G(a) is amended by striking “50 percent” and inserting “40 percent (50 percent in the case of any taxable year beginning before January 1, 2023)”

Subtitle B—Certain Provisions Extended Through 2025 [\(Draft Bill \(Adobe PDF Page 4901\)\)](#)

Sec. 112. New markets tax credit. [\(Draft Bill \(Adobe PDF Page 4901\)\)](#)

Now included for each of calendar years 2020 through 2025. Carryover of unused limitation includes up to 2030

Sec. 113. Work opportunity credit. [\(Draft Bill \(Adobe PDF Page 4902\)\)](#)

Credit extended to December 31, 2025 (supposed to end 2020). The amendment made by this section shall apply to individuals who begin work for the employer after December 31, 2020

Sec. 114. Exclusion from gross income of discharge of qualified principal residence indebtedness. [\(Draft Bill \(Adobe PDF Page\)\)](#)

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Extension changed from ‘January 1, 2021’ to ‘January 1, 2026’. Modification of maximum acquisition indebtedness taken into account from \$2,000,000 (\$1,000,000) to \$750,000 (\$375,000). The amendments made by this section shall apply to discharges of indebtedness after December 31, 2020.

Sec. 118. Empowerment zone tax incentives. [Draft Bill \(Adobe PDF Page 4903\)](#)

Amended from “December 31, 2020” and now extended to “December 31, 2025.

TERMINATION OF INCREASE IN EXPENSING UNDER SECTION 179 —This section shall not apply to any property placed in service in taxable years beginning after December 31, 2020.

TERMINATION OF NONRECOGNITION OF GAIN ON ROLLOVER OF EMPOWERMENT ZONE INVESTMENTS.—This section shall not apply to sales in taxable years beginning after December 31, 2020.

Sec. 119. Employer credit for paid family and medical leave. [Draft Bill \(Adobe PDF Page 4905\)](#)

Amended from “December 31, 2020” and now extended to “December 31, 2025. The amendment made by this section shall apply to wages paid in taxable years beginning after December 31, 2020

Sec. 120. Exclusion for certain employer payments of student loans. [Draft Bill \(Adobe PDF Page 4905\)](#)

Amended by striking “January 1, 2021” and inserting “January 1, 2026”. The amendment made by this section shall apply to payments made after December 31, 2020.

Subtitle C—Extension of Certain Other Provisions [Draft Bill \(Adobe PDF Page 4906\)](#)

Sec. 132. Extension and phaseout of energy credit. [Draft Bill \(Adobe PDF Page 4907\)](#)

Amended by striking “January 1, 2022” and inserting “January 1, 2024”. Different phaseouts applying to solar energy property and fiber-optic solar, qualified fuel cell, and qualified small wind energy property.

Sec. 133. Treatment of mortgage insurance premiums as qualified residence interest. [Draft Bill \(Adobe PDF Page 4909\)](#)

Amended by striking “December 31, 2020” and inserting “December 31, 2021”. The amendment made by this section shall apply to amounts paid or accrued after December 31, 2020.

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Sec. 134. Credit for health insurance costs of eligible individuals. [Draft Bill \(Adobe PDF Page 4910\)](#)

Amended by striking “January 1, 2021” and inserting “January 1, 8 2022”. The amendment made by this section shall apply to months beginning after December 31, 2020.

Sec. 141. Nonbusiness energy property. [Draft Bill \(Adobe PDF Page 4912\)](#)

Amended by striking “December 31, 2020” and inserting “December 31, 2021”. The amendment made by this section shall apply to property placed in service after December 31, 2020.

Sec. 142. Qualified fuel cell motor vehicles. [Draft Bill \(Adobe PDF Page 4913\)](#)

Amended by striking “December 31, 2020” and inserting “December 31, 2021”. The amendment made by this section shall apply to property purchased after December 31, 2020.

Sec. 146. Energy efficient homes credit. [Draft Bill \(Adobe PDF Page 4914\)](#)

Amended by striking “December 31, 2020” and inserting “December 31, 2021”. The amendment made by this section shall apply to homes acquired after December 31, 2020

Sec. 148. Extension of residential energy-efficient property credit and inclusion of biomass fuel property expenditures. [Draft Bill \(Adobe PDF Page \)](#)

Amended by striking “December 31, 2021” and inserting “December 31, 2023”.

Title II - Other Provisions

Sec. 201. Minimum low-income housing tax credit rate. [Draft Bill \(Adobe PDF Page \)](#)

MINIMUM CREDIT RATE.—In the case of any new or existing building to which paragraph (2) does not apply and which is placed in service by the taxpayer after December 31, 2020, the applicable percentage shall not be less than 4 percent.

The amendments made by this section shall apply to any building which receives an allocation of housing credit dollar amount after December 31, 2020, and in the case of any building any portion of which is financed with an obligation described in section 42(h)(4)(A), any such building if any such obligation which so finances such building is issued after December 31, 2020.

Sec. 202. Depreciation of certain residential rental property over 30-year period. [Draft Bill \(Adobe PDF Page 4919\)](#)

ACCOUNTING FORWARD

Any residential rental property which was placed in service before January 1, 2018 which is held by an electing real property trade or business and section 168(g)(1) of the Internal Revenue Code of 1986 did not apply prior to such date, the amendments made by subsection (a)(3)(C) shall apply to taxable years beginning after December 31, 2017

Sec. 205. Minimum rate of interest for certain determinations related to life insurance contracts. [Draft Bill \(Adobe PDF Page 4923\)](#)

Amended by striking “an annual effective rate of 4 percent” and inserting “the applicable accumulation test minimum rate”. The term ‘applicable accumulation test minimum rate’ means the lesser of—“(A) an annual effective rate of 4 percent, or (B) the insurance interest rate (as defined in subsection (f)(11)) in effect at the time the contract is issued.”

Sec. 207. Extension and Modification of Employee Retention and Rehiring Tax Credit [Draft Bill \(Adobe PDF Page 4933\)](#)

This provision extended the eligible period for the credit from ending on January 1, 2021 to July 1, 2021. It increases the credit percentage from 50% to 70%. It further increased the maximum amount from \$10,000 for any quarter to \$10,000 for each calendar quarter. Further, it reduces the gross receipts necessary to qualify as an eligible employer.

- Increases the credit rate from 50 percent to 70 percent of qualified wages;
- Expands eligibility for the credit by reducing the required year-over-year gross receipts decline from 50 percent to 20 percent and provides a safe harbor allowing employers to use prior quarter gross receipts to determine eligibility;
- Increases the limit on per-employee creditable wages from \$10,000 for the year to \$10,000 for each quarter;
- Increases the 100-employee delineation for determining the relevant qualified wage base to employers with 500 or fewer employees;
- Allows certain public instrumentalities to claim the credit;
- Removes the 30-day wage limitation, allowing employers to, for example, claim the credit for bonus pay to essential workers;
- Allows businesses with 500 or less employees to advance the credit at any point during the quarter based on wages paid in the same quarter in a previous year;
- Provides rules to allow new employers who were not in existence for all or part of 2019 to be able to claim the credit; and
- Provides for a small business public awareness campaign regarding availability of the credit to be conducted by the Secretary of the Treasury in coordination with the Administrator of the Small Business Administration.

ACCOUNTING FORWARD

Sec. 208. Minimum age for distributions during working retirement. [Draft Bill \(Adobe PDF Page 4944\)](#)

A trust forming part of a pension plan shall not be treated as failing to constitute a qualified trust under this section solely because the plan provides that a distribution may be made from such trust to an employee who has attained age 59 1/2 and who is not separated from employment at the time of such distribution.

“(B) CERTAIN EMPLOYEES IN THE BUILDING AND CONSTRUCTION INDUSTRY.—Subparagraph (A) shall be applied by substituting ‘age 55’ for ‘age 59 1/2’ in the case of a multiemployer plan described in section 4203(b)(1)(B)(i) of the Employee Retirement Income Security Act of 1974, with respect to individuals who were participants in such plan on or before April 30, 2013, if— “(i) the trust to which subparagraph (A) applies was in existence before January 1, 1970, and “(ii) before December 31, 2011, at a time when the plan provided that distributions may be made to an employee who has attained age 55 and who is not separated from employment at the time of such distribution, the plan received at least a written determination from the Internal Revenue Service that the trust to which subparagraph (A) applies constituted a qualified trust under this section.”

The amendment made by this section shall apply to distributions made before, on, or after the date of the enactment of this Act.

Sec. 210. Temporary allowance of full deduction for business meals. [Draft Bill \(Adobe PDF Page 4946\)](#)

Such expense is—(i) for food or beverages provided by a restaurant, and (ii) paid or incurred before January 1, 2023.’

The amendments made by this section shall apply to amounts paid or incurred after December 31, 2020.

Sec. 211. Temporary special rule for determination of earned income. [Draft Bill \(Adobe PDF Page 4946\)](#)

If the earned income of the taxpayer for the taxpayer’s first taxable year beginning in 2020 is less than the earned income of the taxpayer for the preceding taxable year, the credits allowed under sections 24(d) and 32 of the Internal Revenue Code of 1986 may, at the election of the taxpayer, be determined by substituting— (1) such earned income for the preceding taxable year, for (2) such earned income for the taxpayer’s first taxable year beginning in 2020.

For purposes of subsection (a), in the case of a joint return, the earned income of the taxpayer for the preceding taxable year shall be the sum of the earned income of each spouse for such preceding taxable year.

Sec. 212. Certain charitable contributions deductible by non-itemizers [Draft Bill \(Adobe PDF Page 4948\)](#)

ACCOUNTING FORWARD

In the case of any taxable year beginning in 2021, if the individual does not elect to itemize deductions for such taxable year, the deduction under this section shall be equal to the deduction, not in excess of \$300 (\$600 in the case of a joint return), which would be determined under this section if the only charitable contributions taken into account in determining such deduction were contributions made in cash during such taxable year.

In the case of any portion of an underpayment which is attributable to one or more overstatements of the deduction provided in section 170(p), subsection (a) shall be applied with respect to such portion by substituting ‘50 percent’ for ‘20 percent’.

Sec. 213. Modification of limitations on charitable contributions. [Draft Bill \(Adobe PDF Page 4950\)](#)

IN GENERAL.—Subsections (a)(3)(A)(i) and (b) of section 2205 of the CARES Act are each amended by inserting “or 2021” after “2020”.

The amendments made by this section shall apply to contributions made after December 31, 2020.

Title III - Disaster Relief (Not Including COVID Relief)

[Draft Bill \(Adobe PDF Page 4956\)](#)

Sec. 302. Special disaster-related rules for use of retirement funds. [Draft Bill \(Adobe PDF Page 4958\)](#)

Any individual who receives a qualified disaster distribution may, at any time during the 3-year period beginning on the day after the date on which such distribution was received, make 1 or more contributions in an aggregate amount not to exceed the amount of such distribution to an eligible retirement plan of which such individual is a beneficiary and to which a rollover contribution of such distribution could be made under section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), of the Internal Revenue Code of 1986, as the case may be.

Sec. 303. Employee retention credit for employers affected by qualified disasters. [Draft Bill \(Adobe PDF Page 4970\)](#)

For purposes of this subsection, the 2020 qualified disaster employee retention credit for any taxable year is an amount equal to 40 percent of the qualified wages with respect to each eligible employee of such employer for such taxable year. The amount of qualified wages with respect to any employee which may be taken into account under this subsection by the employer for any taxable year shall not exceed \$6,000 (reduced by the amount of qualified wages with respect to such employee taken into account for any prior taxable year).