

TWO-PART WEBINAR SERIES

Friday, January 15 & 22, 2021 @ 2:00pm ET

NEW PPP Loan Second Draw

NEW PPP Loan Forgiveness Rules

NEW EIDL Loans & Advances

NEW Shuttered Live Venue Grants

NEW Pandemic Unemployment Assistance

NEW Direct Stimulus Payments

NEW NEA General Operating Grants



Register for this **FREE** interactive live event through [ArtsU](https://ArtsU.org).
You can also watch on Facebook.com/ArtsActionFund.



Welcome to the Webinar!



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To ask a question, please use the Q & A function located at the bottom of your screen.



You can upvote questions by clicking on the “thumbs up” symbol. Questions with the most upvotes will be prioritized during the Q & A today.



This webinar is being recorded, and the recording will be available in 1-2 business days on the event page.

Resources for today's event can be found on the

RESOURCES

tab of the event page



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Today's Agenda

- Welcome Remarks and Overview with Nina Ozlu Tunceli and Nolen Bivens to 1,000 ArtsU registrants and everyone joining live on the Arts Action Fund's Facebook.
- Today's webinar focus is on PPP loan and forgiveness, EIDL, Unemployment, Stimulus Checks, NEA, early SVO information, and preview of Biden's American Rescue Plan to be introduced into Congress next week.
- Next webinar's focus will be exclusively on Shuttered Venue Operators Grants and will have an SBA representative. Application portal does not open until later this month.
- Q&A



Nolen Bivens

Interim President and CEO
Americans for the Arts

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Direct Taxpayer Stimulus Payments

\$166 Billion

- **Direct Payments** - Economic relief via IRS stimulus payments of **\$600** for individuals with a 2019 Adjusted Gross Income (AGI) of up to \$75,000 per year. **\$1,200** for married filing jointly taxpayers with an AGI of up to \$150,000, and an extra **\$600** for each dependent child who are under 17 years old.
- **Phase Out** - \$600 for single or \$1,200 for married filing jointly payments would be phased out by 5% for every \$1,000 above the AGI's listed above. (ie - a single taxpayer with an AGI of \$80,000 on her 2019 tax return and claiming 3 dependent children under the age of 17 years old would receive \$1,900 (\$100 for herself and \$1,800 for her 3 kids)
- **IRS Recovery Rebate Credit** - If you didn't get any payments or got less than the full amounts from last year's or this year's payments, you may qualify for the credit when you complete your 2020 tax return. See [Recovery Rebate Credit](#)
- **Track your IRS Payment** - www.irs.gov/coronavirus/get-my-payment



Pandemic Unemployment Assistance

\$120 Billion

- **FPUC** - Extends the Federal Pandemic Unemployment Compensation 11 weeks through 3/14/21, and increases benefits amount above the state base by additional \$300 per week.
- **PUA** - Extends and phases out the Pandemic Unemployment Assistance that allows self-employed workers to be eligible to both state unemployment benefits to March 14 (after which no new applicants) through April 5, 2021.
- **PEUC** - Extends but also phases out the Pandemic Emergency Unemployment Compensation, which extends the maximum of weeks an unemployed worker can collect benefit to April 5, 2021, but no new application after 3/14/21. All benefits end 4/5/21.
- **Mixed Income Workers** - Provides an additional \$100 per week to the \$300 per week (total \$400 per week) for up to 11 weeks through March 14, 2021, for unemployed "mixed income" workers who have at least \$5,000 a year in self-employment income but are disqualified from receiving PUA because they are eligible for regular state unemployment benefits. This benefit is added to FPUC and will terminate with it on March 14, 2021.
- **Maximum number of weeks** - a worker may claim unemployment benefits for a total of 50 weeks (includes 2020 and 2021 period).



Narric Rome

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NEA & NEH

\$167.5 Million Each

- Congress appropriated each of these federal agencies in the FY21 Omnibus bill with a budget increase to \$167.5 million that allows them to award general operating grants with FY 2021 funds, rather than restrict these funds to project-specific grants that cannot be produced because of COVID-19. Nonprofit and governmental arts organizations are eligible.
- Congress also made it retroactive for NEA and NEH to re-classify those previously awarded project-specific grants using FY 2019 and FY 2020 funds that were unable to be completed because of COVID-19. This could unlock more than \$100 million of additional funds for nonprofit and governmental arts organization grantees.
- Regularly check their websites for upcoming grants guidance:
 - www.Arts.gov
 - www.NEH.gov



Putting Creative Workers to Work Proposal

TO REBUILD AND REIMAGINE THE UNITED STATES POST-PANDEMIC, WE MUST PUT CREATIVE WORKERS TO WORK

There can be no recovery without creativity.

If you are authorized to endorse this proposal for your organization, or wish to endorse as an individual, please [visit and complete this Endorsement Form](#). Submissions are moderated for content, so there may be a lag in appearing. You can view the current list of [organizations](#) and [individuals](#) who have endorsed this proposal as of September 29, 2020 at 9 AM at the bottom of this document. There are currently over 2,200 endorsements of this proposal.

ENDORSE THE PROPOSAL



Creativity Has Always Been Essential To Recovery.

To thrive post-pandemic, the United States must leverage our creative power, putting creative workers to work rebuilding, reimagining, unifying, and healing communities in every state and territory, as well as within tribal lands. Below, we propose 16 specific actions that the next Administration can take to activate the creative economy within a comprehensive national recovery strategy.

In 1935, facing 20% unemployment, President Roosevelt created the Works Progress Administration (WPA). In 1973, at a moment of similar crisis, President Nixon signed the Comprehensive Employment and Training Act (CETA). These audacious federal policy efforts—one by a Democrat, one by a Republican—sparked national recovery at two crucial moments, and should inspire action now.^[1]

In each previous workforce effort, investment in the creative economy has proven essential. Similar investment now will heal the soul of America, create unity, expand and improve infrastructure, address community health, and drive innovation, recovery, and reimagination. The next Administration must draw upon the creative energies of the country's 5.1 million creative workers to energize a downtrodden citizenry, reimagine how communities can thrive, and improve the lives of all. We stand ready to answer the call.^[2]

Activating the creative economy to stimulate recovery just makes sense. Creative workers are a part of every local economy in the United States and, like others who are un- and underemployed, creative workers have much to offer in healing, recovery, and beyond. Paying artists and other creative workers for their contributions to the health, equity, and well-being of our communities rebuilds our economy. These workers uniquely engage communities to contribute to well-being and connectivity, reflecting back local history, amplifying the unique character of places, and renewing the civic and social lives of community members through their work. To thrive tomorrow, we must create a jobs ecosystem for creative workers today.

The next Administration must boldly activate the nation's 5.1 million arts and cultural workers to address critical infrastructure, community development, innovation, and public health needs. Creative workers, and the hundreds of thousands of creative businesses they drive, have been devastated by Coronavirus more than almost any other sector^[3]—one study pegs the creative worker unemployment rate at 63% and a collective income loss of over \$60 billion^[4]—but stand ready to heal, strengthen, rebuild, and reimagine our communities.

AmericansForTheArts.org/creativework



Putting Creative Workers to Work Proposal

Components of Proposal

AmericansForTheArts.org/creativework

- 1) Arts & Culture Representation within the Executive Office
- 2) Federal Commissioning and Residencies
- 3) Incentivizing Local, State, Tribal, and Private Investment
- 4) Protecting Arts Educators (Pre-K-12, out of school, and higher ed)
- 5) Addressing Inequities in Existing Policies
- 6) Digital Skill-Building and Access



Biden American Rescue Plan

\$1.9 Trillion

www.ArtsActionFund.org/BidenAmericanRescuePlan

- \$160 billion in funding for national vaccine program.
- \$50 billion in mass testing.
- Authorize OSHA to issue COVID-19 protection standard.
- \$130 billion in funding for schools to safely reopen.
- Emergency paid leave to cover COVID-19 leave for employers with >500 and <50 employees
- 14 paid weeks of paid sick and family and medical leave
- \$1,400 in direct payments
- \$400/week in unemployment insurance supplement
- Eviction and foreclosure moratorium through September 30
- \$15 minimum wage
- \$350 billion in emergency state/local funding for frontline public workers



Biden American Rescue Plan

\$1.9 Trillion

www.ArtsActionFund.org/BidenAmericanRescuePlan

“Provide small businesses with the funding they need to reopen and rebuild. Small businesses sustain half of the private sector jobs in America, and they have struggled in the wake of COVID-19. Black- and Brown-owned small businesses, and those in hard-hit industries like restaurants, hotels, and **the arts**, have suffered disproportionately.” [page 17]



Biden American Rescue Plan

\$1.9 Trillion

www.ArtsActionFund.org/BidenAmericanRescuePlan

- Provide \$15 billion in grants to more than 1 million of the hardest hit small businesses.
- “Leverage \$35 billion in government funds into \$175 billion in additional small business lending and investment. With a \$35 billion investment in successful state, local, tribal, and non-profit small business financing programs, Congress can generate as much as \$175 billion in low-interest loans and venture capital to help entrepreneurs -- including those in the clean energy sector -- innovate, create and maintain jobs, build wealth, and provide the essential goods and services that communities depend on.” [page 17]



Phase II – A Biden Recovery Plan

\$TBD

- Phase II, a recovery proposal, expected in February.



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2021 COVID Arts Resources Table (Economic Aid Act Enacted 12-27-20)

www.ArtsActionFund.org/2021CovidArtsResourcesTable

Note: This slide has been updated. The online version of the 2021 COVID Arts Resources Table will always have the most updated information. Please go to website for the latest information.

PPP Forgivable Loans	Eligibility	Uses
SBA Paycheck Protection Program (PPP) Forgivable loan to grant 1st Draw or Request Increase Application: SBA Form 2483 Opens: 1/8/21 Closes: 3/31/21 Apply to banks, not to the SBA Max Amount: Monthly payroll x 2.5 up to \$10 million Apply to banks, credit unions, online financial institutions like Paypay. Do not apply to SBA. Check out www.sba.gov/Lender Match	Topline Overview Guidance of 1st Draw 500 or fewer W2 employees, but cannot include 1099 workers. C-Corps; S-Corps; LLCs; Partnerships; 501(c)(3) nonprofits; 501(c)(6) nonprofits; 501(c)(19) veterans organizations; Sole Proprietors; Independent Contractors; Self-Employed Individuals; Housing cooperatives; Tribal Businesses Borrower or its employees cannot also receive Unemployment Assistance during the same period. Borrower cannot also receive a Shuttered Venues Operator (SVO) grant.	To secure forgiveness, PPP must use a minimum of 60% of loan for payroll and employee insurance benefits and maximum of 40% on rent, utilities, and new covered operation and PPE expenses. Covered period can be 8 to 24 weeks. Covered payroll amount can be up to \$100K/employee. Borrowers should not include as taxable income the amount of the forgiven PPP loan. However, Congress has confirmed that borrowers can still deduct the business expenses that the PPP grant paid for.
SBA Paycheck Protection Program (PPP) Forgivable loan to grant 2nd Draw Application: SBA Form 2483 SD Opens: 1/13/21 Closes: 3/31/21 Apply to banks, not the SBA. Max Amount: Monthly payroll x 2.5 (or multiply by 3.5 for restaurants and hospitality) up to \$2 million Check out www.sba.gov/Lender Match	Topline Overview Guidance of 2nd Draw 300 or fewer W2 employees, but cannot include 1099 workers. Experienced 25% reduction in gross receipts comparing one quarter in 2019 to same quarter in 2020. C-Corps; S-Corps; LLCs; Partnerships; 501(c)(3) nonprofits; 501(c)(6) nonprofits; 501(c)(19) veterans organizations; Sole Proprietors; Independent Contractors; Self-Employed Individuals; Housing cooperatives; Tribal Businesses Borrower or its employees cannot also receive Unemployment Assistance during the same period. Borrower cannot also receive a SVO grant.	Must be able to certify that first PPP loan was fully used according to the 60-40 rule by the time of the 2nd draw, but you do not need to have submitted your official forgiveness form yet. To secure forgiveness, PPP must use minimum of 60% of loan for payroll and employee insurance benefits and maximum of 40% on rent, utilities, and new covered operation and PPE expenses. Covered period can be 8 to 24 weeks. Covered payroll amount can be up to \$100K/employee. Borrowers should not include as taxable income the amount of the forgiven PPP loan. However, Congress has confirmed that borrowers can still deduct the business expenses that the PPP grant paid for.

PPP Forgiveness Form Choices

SBA PPP Forgiveness Form 3508 S (To be updated) No longer reduce forgiveness by EIDL Advance Amt! Use Form 3508S if your PPP loan amount was \$50,000 (and now \$150,000) or less. With this simplest of forgiveness forms, your loan will be fully forgiven even if you had a reduction in FTE headcount or salary/wages. But, you must still certify that loan funds were used correctly based on the 60-40 formula. Note: On 12/27/20, Congress increased the threshold for this forgiveness form to \$150,000 but SBA has not updated the form yet as of 1/15/21.	SBA Forgiveness Form 3508 EZ (To be updated) No longer reduce forgiveness by EIDL Advance Amt! Use Form 3508EZ if your PPP loan amount is over \$50,000 (and now over \$150,000) and you are either: 1. Self-employed with no employees; or 2. You do have employees but you did not reduce wages by more than 25% and you did not reduce employee FTE headcount or their hours during the covered period; or 3. You do have employees but you did not reduce wages by more than 25% and reduction of FTE headcount and hours not counted against you if you could not operate as normal as a result of reduced business activity due to COVID-19 health guidance compliance.	SBA Forgiveness Long Form 3508 (To be updated) No longer reduce forgiveness by EIDL Advance Amt! Use this form if you don't qualify to use Forms 3508 S or 3508 EZ. The long form 3508 will primarily be used by companies who reduced employee salaries by more than 25% and were not prevented from continuing to operate your business as normal during the covered period.
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SBA COVID-19 Emergency Injury Disaster Loan (EIDL) and Advances

On December 27, 2020, Congress replenished this SBA loan program with \$20 billion. It is **NOT** a second draw. Only those who did not successfully receive or were not officially declined an EIDL loan before 12/27/20 can apply.

EIDL loans are NOT forgivable. These loans must be repaid over a 30-year term at low interest rates of 2.75% for nonprofit organizations and 3.75% for all other entities and self-employed/sole proprietors. Loan repayments are deferred by one year from origination of the loan.

Application: <https://covid19relief.sba.gov/#/>

Note: Self-employed and sole proprietors should count themselves as one employee (do not say zero).

You can have an EIDL loan simultaneously with any other federal resource including a PPP loan, Pandemic Unemployment Assistance, and a Shuttered Venue Operator Grant.

EIDL Loan funds can be used for working capital & normal operating expenses, such as payroll, independent contractors, health care benefits, rent, utilities, fixed debt payments, repairs, and personal protection equipment.

Only EIDL loans of \$25,000 or more require collateral. You can accept or reject the loan offer or only take a portion of it.

Loan amount based on 2019 business expenses and borrower's credit score.

EIDL Advances:

EIDL Advance funds have been provided by Congress to fulfill the original promise of providing a full \$10,000 advance, tax-free grant, if it was officially requested by the borrower, when originally applying for an EIDL loan in 2020. These new funds will first pay the 16 million EIDL applications that were made through July 2020 with the following priority order:

- Borrowers located in a low-income area, have 300 or fewer employees, and can prove at least a 30% loss in revenues during any 8-week period during the pandemic.
- All other borrowers with 300 or fewer employees who did not receive the full \$10,000 advance, regardless of number of employees, and can prove at least a 30% loss in revenues during any 8-week period during the pandemic.

Previous EIDL Advance Recipients do not have to apply to receive these additional funds. SBA will contact you directly based on their priority order by email/mail to request proof of your 30% revenue loss. This is particularly good news for individual artists and gig workers who only received a \$1,000 advance last year. Theoretically, you will receive an additional \$9,000 this year as a grant that does not have to be repaid or reported as income!

This legislation did not provide funds for new applications for EIDL Advances.

www.ArtsActionFund.org/2021CovidArtsResourcesTable

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SBA Shuttered Venue Operators (SVO) Grants

On December 27, 2020, Congress established a new \$12 billion SBA program for Shuttered Venues Operators (SVO) grants for the hardest hit performing live arts venues, theatrical producers, movie theaters, museums, zoos, aquariums, and talent representatives of artists who perform in these kinds of venues. This is a grant, not a loan, and it does not have to be repaid. The first \$2 billion is reserved for eligible applications with up to 50 full-time employees

The SBA is in the process of setting up the grant program and is not yet accepting applications. Preliminary guidelines and future application will be posted at <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/shuttered-venue-operators-grant>

Note: Eligible entities must have been in operation as of Feb. 29, 2020. Venue or promoter must not have received a PPP loan on or after Dec. 27, 2020, but receiving a PPP loan before that date is fine. It is not recommended that you apply early for a new or second draw PPP in 2021 while you await the results of your SVO application after the portal opens and then decide to decline the PPP offer. Once you are offered a PPP loan from a financial institution, you are required to accept it within 10 days; otherwise, the loan offer is rescinded.

Grant amounts:

For an eligible entity in operation on 1/1/19, it can apply for the lesser of an amount equal to 45% of their 2019 gross earned revenue OR \$10 Million.

An eligible entity who began operation after 1/1/19 can apply for the lesser of the average monthly gross revenue for each full month you were in operation during 2019 multiplied by 6 OR \$10 Million.

Several priority rounds of funding during the first 60 days. **Note: On January 20, 2021, SBA updated the proposed plan for issuing Shuttered Venue Operators Grants during the first and second priority periods. To clarify, priority awardees will not need to satisfy the small employer set-aside. During the first 59 days of opening the SVO Grants, SBA will reserve no less than \$2 billion of program funding for grants to entities that have no more than 50 employees.** Regardless of how many employees you have, please apply as soon as the SVO application portal opens because SBA will route your application into the correct priority round. Even if funds run out quickly, please still apply because the SVO fund could be replenished by President Biden and Congress and you want to keep your early spot in the queue.

The SBA is in the process of setting up the grant program and is not yet accepting applications. Small businesses who have suffered the greatest economic loss will be the first applications processed under the following schedule:

- First Priority grants available in first 14 days for entities who suffered a **90%** or greater revenue loss between April 2020 through December 2020 due to the COVID-19 pandemic.
- Second Priority grants available in second 14 days for entities who suffered a **70%** or greater revenue loss between April 2020 through December 2020 due to the COVID-19 pandemic.
- Third Priority grants available after the first 28 days for entities who suffered a **25%** or greater revenue loss between April 2020 through December 2020 due to the COVID-19 pandemic.
- Second draw Supplemental grants for who were eligible for first and second round priority grants and who also suffered a 70% or greater revenue loss in 2021 for the most recent calendar quarter (as of 04-01-21 or later)
- Unrestricted, Non-Priority Round begins 61 days after initial priority grant awards and is available for **eligible entities of any size** can apply who suffered a **25%** or greater revenue loss.

Funds may be used for specific expenses, which include:

- Payroll costs
- Rent payments
- Utility payments
- Scheduled mortgage payments (not including prepayment of principal)
- Scheduled debt payments (not including prepayment of principal) on any indebtedness incurred in the ordinary course of business prior to 02-15-20)
- Worker protection expenditures
- Payments to independent contractors (not to exceed \$100K in annual compensation per contractor)
- Other ordinary and necessary business expenses, including maintenance costs
- Administrative costs (incl. fees and licensing) State and local taxes and fees
- Operating leases in effect as of 02-15-20
- Insurance payments
- Advertising, production transportation, and capital expenditures related to producing a theatrical or live performing arts production. (May not be primary use of funds.)

Grantees may not use award funds to:

- Buy real estate
- Make payments on loans originated after 02-15-20
- Make investments or loans
- Make contributions or other payments to, or on behalf of, political parties, political committees, or candidates for election

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2021 COVID Arts Resources Table (Economic Aid Act Enacted 12-27-20)

Federal Pandemic Unemployment Assistance

FPUC - Extends the Federal Pandemic Unemployment Compensation 11 weeks through March 14, 2021, and increases the benefits amount above the state base benefits by an additional \$300 per week.

PUA - Extends and also phases out the Pandemic Unemployment Assistance that allows self-employed workers to be eligible to both state unemployment benefits to March 14 (after which no new applicants) through April 5, 2021.

PEUC - Extends but also phases out the Pandemic Emergency Unemployment Compensation, which extends the maximum of weeks an unemployed worker can collect benefit to April 5, 2021, but no new applications after March 14, 2021.

Mixed Income Workers - Provides an additional \$100 per week to the \$300 per week (total \$400 per week) for up to 11 weeks through March 14, 2021, for unemployed "mixed income" workers who have at least \$5,000 a year in self-employment income but are disqualified from receiving PUA because they are eligible for regular state unemployment benefits. This benefit is added to FPUC and will terminate with it on March 14, 2021.

www.CareerOneStop.com

Review information on filing for unemployment compensation and use the CareerOneStop Unemployment Benefits Finder to learn about applying for benefits in your state.

Maximum number of weeks - a worker may claim unemployment benefits for a total of 50 weeks (includes 2020 and 2021 period).

Direct Taxpayer Stimulus Payments

Direct Payments - Economic relief via IRS stimulus payments of \$600 for individuals with a 2019 Adjusted Gross Income (AGI) of up to \$75,000 per year. \$1,200 for married filing jointly taxpayers with an AGI of up to \$150,000, and an extra \$600 for each dependent child who are under 17 years old.

Phase Out - \$600 for single or \$1,200 for married filing jointly payments would be phased out by 5% for every \$1,000 above the AGI's listed above. (ie - a single taxpayer with an AGI of \$80,000 on her 2019 tax return and claiming 3 dependent children under the age of 17 years old would receive \$1,900 (\$100 for herself and \$1,800 for her 3 kids)

IRS Recovery Rebate Credit

If you didn't get any payments or got less than the full amounts from last year's or this year's payments, you may qualify for the credit when you complete your 2020 tax return.

Learn more at [Recovery Rebate Credit](#)

Track your IRS Payment:

www.IRS.gov/coronavirus/get-my-payment

National Endowment for the Arts

National Endowment for the Arts and National Endowment for the Humanities

Congress also made it retroactive for NEA and NEH to re-classify those previously awarded project-specific grants using FY 2019 and FY 2020 funds that were unable to be completed because of COVID-19. This could unlock more than \$100 million of additional funds for nonprofit and governmental arts organization grantees.

Regularly check the websites of these federal cultural agencies for upcoming guidance:

www.Arts.gov

www.NEH.gov

Congress appropriated each of these federal agencies in the FY21 Omnibus bill with a budget increase to \$167.5 million that allows them to award general operating grants with FY 2021 funds, rather restrict grants to project-specific grants that cannot be produced because of COVID-19. Nonprofit and governmental arts organizations are eligible to apply.

www.ArtsActionFund.org/2021CovidArtsResourcesTable

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[www.ArtsActionFund.org/
2021CovidArtsResourcesTable](http://www.ArtsActionFund.org/2021CovidArtsResourcesTable)

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Extend Eviction and Foreclosure Moratoriums

Economic Aid Act provided a temporary extension to the current CDC eviction moratorium and an additional \$25 billion in emergency rental assistance.

- Extends eviction moratorium until Jan. 31, 2021.
- Eligible renters will receive the assistance to pay for rent, utility payments, any unpaid rent and/or unpaid utility bills.
- A household may receive up to 12 months of assistance, however, an additional three months may be added if it is necessary to ensure the family remain housed.
- Establishes a 4% floor for calculating housing tax credits related to acquisitions and housing bond-financed developments.
- Treasury will distribute funds to states and localities using the same formula used to distribute the CRF. Small states will receive a minimum of \$200 million in emergency rental assistance. Localities with populations over 200,000 may request to receive their allocation of emergency rental assistance directly. Under the program, D.C. is treated as a state. The U.S. territories would share a set-aside of \$400 million (with a small territory set-aside), while \$800 million would be set aside for Native Americans, Alaska Natives and Native Hawaiians.

President Biden's Day One Executive Order on 1-20-21:

The COVID-19 pandemic has triggered an almost unprecedented housing affordability crisis. Today, 1 in 5 renters and 1 in 10 homeowners with a mortgage are behind on payments. President Biden is asking the Centers for Disease Control and Prevention to consider immediately extending the federal eviction moratorium until at least March 31, 2021, while calling on Congress to provide much needed rental assistance and extend it further. And, he will ask the Department of Veterans Affairs, Department of Agriculture, and the Department of Housing and Urban Development, to consider extending foreclosure moratoriums for federally guaranteed mortgages and continuing applications for forbearance for federally guaranteed mortgages until at least March 31, 2021. The Federal Housing Finance Agency (FHFA) has already extended its foreclosure and eviction moratoriums until February 28, 2021. President Biden will call on the agency to consider extending the foreclosure moratorium further and continue forbearance applications for all loans guaranteed by Fannie Mae and Freddie Mac.

Extend Student Loan Repayment

Economic Aid Act did not provide an extension on student loan repayment forbearance. Last summer, President Trump used executive action to continue the CARES Act student loan relief until the end of December, avoiding student loan bills coming due just weeks before the presidential election. In December 2020, former Education Secretary Betsy DeVos further extended the relief until the end of January.

President Biden's Day One Executive Order on 1-20-21:

Currently, borrowers owe over \$1.5 trillion in federal student loans. Borrowers of all ages are often faced with a tough tradeoff between making their student loan payments, investing in their long-term financial future, or paying their bills. The pandemic has only increased the economic hardship of the millions of Americans who have student debt. President Biden is asking the Department of Education to consider immediately extending the pause on interest and principal payments for direct federal loans until at least September 30, 2021.



2021 COVID Arts Resources Table (Economic Aid Act Enacted 12-27-20)

Broadband Provisions

Economic Aid Act provided \$7 billion to expand broadband access for students, families and unemployed workers. It includes:

- A new \$3.2 billion Emergency Broadband Benefit that will provide \$50 per month for broadband for low-income families.
- \$300 million for rural broadband.
- \$250 million for Federal Communications Commission's telehealth program.
- \$285 million to fund a pilot program to assist with broadband issues for historically Black colleges and universities.
- \$1.9 billion for "rip and replace" efforts related to Huawei and ZTE equipment in U.S. networks.
- \$1 billion in grants for tribal broadband programs.
- \$65 million to improve broadband mapping.

CARES Act State and Local Block Grants

Economic Aid Act Extended the date by which state and local governments must make expenditures with the original CARES Act Coronavirus Relief Fund (CRF) awards from Dec. 30, 2020, to Dec. 31, 2021.

Charitable Tax Deduction Extended

Re-establishes the \$300 above-the-line charitable tax deduction to now allow a \$600 deduction for taxpayers filing jointly instead of limiting it to only \$300 per tax return.

[www.ArtsActionFund.org/
2021CovidArtsResourcesTable](http://www.ArtsActionFund.org/2021CovidArtsResourcesTable)

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Extension and Modification of Employee Retention and Rehiring Tax Credit

This provision extends the refundable CARES Act employee retention tax credit from Dec. 31, 2020, to July 1, 2021, with the following changes applicable for 2021:

- Effective as if originally included in the CARES Act, this provision clarifies that eligible employers can get a PPP loan and claim the ERTC, but amounts forgiven under the PPP loan cannot be considered qualified retention wages.
- Consistent with IRS guidance, this section also provides that group health plan expenses can be considered qualified wages when no other wages are paid.
- This provision also clarifies the definition of gross receipts for exempt organizations.
- The credit is 70% of wages and \$10,000 per quarter (up to a \$7,000 credit per quarter per employee) instead of 50% of wages and \$10,000 in total (up to a \$5,000 credit per employee in total).
- A business only needs a 20% drop in gross receipts to be considered eligible instead of a 50% drop.
- Rather than a blanket disallowance for governmental employers, the credit is available to public colleges and hospitals.
- The definition of large employer applies to companies with more than 500 employees instead of 100, allowing many more companies to obtain the credit for wages paid when their employees are providing services.

[www.ArtsActionFund.org/
2021CovidArtsResourcesTable](http://www.ArtsActionFund.org/2021CovidArtsResourcesTable)

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Q & A

