AMERICAN RESCUE PLAN ACT OF 2021 SUMMARY

Unless otherwise stated under "Key Provisions," the sections became effective upon enactment on March 11, 2021.

Updated 03/15/2021

SECTION	KEY PROVISIONS	EXPIRATION DATE	AGENCY AND IMPLEMENTING REGULATIONS
Title V, Committee on Small Business and Entrepreneurship			
Section 5001. Modifications to paycheck protection program	Appropriates an additional $7.25 billion, to remain available until expended, for carrying out the PPP. Expands eligibility for the PPP, both first and second draw loans, to include some additional covered nonprofit entities under section 501(c) of the Internal Revenue Code. However, certain organizations are still not eligible such as: religious, educational, charitable, and scientific organizations; civic leagues and associations of employees; business leagues and chambers of commerce; and organizations of past or present members of the armed forces (e.g. 501(c)(3), (4), (6), and (19)). Entities exempt from taxation under section 501(a) of the IRC, such as credit unions, are also not eligible. To be eligible for a covered loan, additional covered nonprofit entities must employ not more than 300 employees and meet certain restrictions on lobbying activities. Businesses organized for profit that are a financial business primarily engaged in lending, such as banks or finance companies, are ineligible as are other businesses generally ineligible for SBA loans under applicable regulations. Expands eligibility for the PPP, both first and second draw loans, to include internet publishing organizations (NAICS code 519130) with less than 500 employees that make a good faith certification that proceeds of the loan will be used to support expenses at the component of the business concern or organization that supports local or regional news.	None specified (until expended).	**Small Business Administration (SBA), Department of Treasury**

AMERICAN RESCUE PLAN ACT OF 2021 SUMMARY

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Updated 03/15/2021

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Section 5002. Targeted EIDL advance.	Appropriates $15 billion, to remain available until expended, for Economic Injury Disaster Loan (EIDL) Advances. EIDL Advances do not have to be repaid. Of the total amount, $10 billion shall go to covered entities that did not receive the full amount of their EIDL advance to which they were entitled before funding was exhausted, and $5 billion will provide EIDL advances of $5,000 for covered entities that have suffered an economic loss of greater than 50 percent and employ not more than 10 employees (and could be in addition to an EIDL advance already received).	None specified (until expended).	**Small Business Administration (SBA), Department of Treasury**
Section 5004. Community navigator pilot program.	Establishes a Community Navigator pilot program at the SBA to make grants to, or enter into contracts or cooperative agreements with, private nonprofit organizations, resource partners, States, Tribes, and units of local government to ensure the delivery of free community navigator services to current or prospective owners of eligible businesses to improve access to assistance programs and resources made available because of the COVID–19 pandemic. A "community navigator" includes community financial institutions such as a community development financial institution (CDFI) or minority depository institution (MDI) or other private nonprofit organization engaged in the delivery of community navigator services. Appropriates $100 million for grants and $75 million for outreach and education.	Funds available until September 30, 2022. Authority of Administrator to make grants under this section sunsets on December 31, 2025.	**Small Business Administration (SBA), Department of Treasury**

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Updated 03/15/2021

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Section 5006. Direct appropriations	Appropriates $840 million for administrative costs for the SBA to prevent, prepare for, respond to and administer programs related to the COVID-19 pandemic. Appropriates $460 million to carry out the disaster loan program. Appropriates $25 million to the SBA Office of Inspector General.	None specified (until expended).	**Small Business Administration (SBA), Department of Treasury**
Title III, Subtitle B—Housing Provisions			
Section 3201. Emergency rental assistance.	Appropriates $21.5 billion for funds provided to states, territories, and tribes to grant rental assistance. Funds are for low-income households that have experienced a reduction in household income or qualified for unemployment benefits to assist with rental payments for up to 18 months. Sets aside $2.5 billion for high-need grantees which are areas with very low-income renter households paying more than 50 percent of income on rent or living in substandard or overcrowded conditions. Allows grantors to use excess funds for affordable rental housing and eviction prevention activities. Extends Consolidated Appropriations Act, 2021 funds from December 31,2021 to September 30, 2022	Funds available until September 30, 2027 (or until expended)	**Secretary of the Treasury**
Section 3206. Homeowner Assistance Fund.	Establishes a $10 billion Homeowner Assistance Fund, which will be allocated to states, territories, and tribes through grants. Funds will be used to prevent homeowner mortgage defaults, foreclosures, and displacements. Funds can be used to reduce mortgage principal amounts, assist homeowners with mortgage payments and other housing costs like flood insurance premiums, homeowners' association fees and utility bills. Funds	Funds available until September 30, 2025 (or until expended)	**Secretary of the Treasury**

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Updated 03/15/2021

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Section 3206. Homeowner Assistance Fund (cont’d).	can also be used to provide other aid to prevent eviction, mortgage default, foreclosure, or the loss of certain utility services. Funds can also be used to reimburse state and local governments that have already used their own funds to provide similar assistance since January 2020. To be eligible, loans must confirm to the amounts established based on the property type (single family; two family; etc.) set for Fannie Mae and Freddie Mac. Homeowners must have experienced hardship after January 21, 2020.		
Section 3208. Fair housing activities.	Provides an additional $20 million to existing funds for the Department of Housing and Urban Development's (HUD) Fair Housing Initiatives Program to help identify government agencies that handle complaints of housing discrimination.	Funds available until September 30, 2023 (or until expended).	**Department of Housing and Urban Development**
Title III, Subtitle C—SSBCI			
Section 3301. State Small Business Credit Initiative.	Restores the expired State Small Business Credit Initiative and appropriates $10 billion to provide support to small businesses responding to and recovering from the economic effects of the COVID–19 pandemic, ensure business enterprises owned and controlled by socially and economically disadvantaged individuals have access to credit and investments, provide technical assistance to help small businesses applying for various support programs, and to pay reasonable costs of administering such Initiative.	Funds available until September 30, 2030 (or until expended).	**Department of Treasury, State and Tribal governments**

AMERICAN RESCUE PLAN ACT OF 2021 SUMMARY

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Updated 03/15/2021

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Title IX – Committee on Finance (Tax Provisions, Stimulus Payments, Etc.)			
Section 6432. Continuation of Coverage Premium Assistance.	Allows the payments made for the continuance of health care coverage to be used as a credit against the tax for health care coverage. This credit cannot exceed the tax owed. Government entities or federal instrumentalities, exempt from taxation under IRC section 501(c)(1) are eligible for this credit. This may include federal credit unions to the extent they are considered "federal instrumentalities" for the purposes of this provision.		**Internal Revenue Service (IRS)**
Section 9601. 2021 recovery rebates to individuals.	Provides direct payments to individuals as "recovery rebates" in the form of standalone, advance payments, referred to as economic impact payments (EIP) by the IRS, or as recovery rebate credits (RRCs) claimed on tax returns. These payments will not be subject to the same garnishment protections that were applicable to the second round of stimulus payments authorized by the Consolidated Appropriations Act, 2021 (CAA). Instead, they will be treated much like the first round of stimulus payments authorized by the Coronavirus Aid, Relief and Economic Security Act (CARES Act). These EIPs will receive only limited protections, meaning funds are not subject to "reduction or offset pursuant to subsection (c), (d), (e), or (f) of section 6402 of the Internal Revenue Code of 1986 or any similar authority permitting offset." This includes, for example, debts owed to federal agencies. Stimulus funds may also not be reduced or offset by other assessed Federal taxes that would otherwise be subject to levy or collection. The	December 31, 2021	**Internal Revenue Service (IRS)**

AMERICAN RESCUE PLAN ACT OF 2021 SUMMARY

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Updated 03/15/2021

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	<u>IRS has also publicly confirmed that these EIPs cannot be offset to pay various past-due federal debts or back taxes.</u>		
Section 9611. Child tax credit improvements for 2021.	Current child tax credits are expanded and fully refundable for 2021. Half of a family's tax credit will be eligible to be paid out periodically, likely monthly, by the IRS between July and December 2021. The credit is $3,000 for children between age 6 and 17, and $3,600 for children under the age of 6, phasing out for higher income households.	December 31, 2021	**Internal Revenue Service (IRS)**
Section 9632. Increase in exclusion for employer-provided dependent care assistance.	The amount allowable for dependent care accounts increases from $5,000 to $10,500 (from $2,500 to $5,250 in the case of a separate return filed by a married individual) the maximum amount that can be excluded from income under Section 129 of the tax code for qualifying dependent care expenses. Credit unions that offer dependent care flexible spending arrangements may amend their plans to allow their eligible employees to benefit from this increased limit. Fiscal plan year sponsors will need to consider how to implement the relief given their plan year limits, noting that the increased contribution limit ends on December 31, 2021.	December 31, 2021	**Internal Revenue Service (IRS)**
Section 9641. Payroll credits.	Extends the availability of paid sick and paid family leave credits that are similar to those that were made available under the Families First Coronavirus Response Act (FFCRA) through September 30, 2021. The limit in the credit is increased to $12,000 and the limitation on the overall number of days taken into account for paid sick leave will reset after March 31, 2021. Wages are qualified sick leave wages, if such wages would be required under the Emergency Paid Sick Leave Act. This	September 30, 2021	**Internal Revenue Service (IRS)**

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Updated 03/15/2021

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Section 9641. Payroll credits (cont'd).	includes if the employee is seeking or awaiting the results of a diagnostic test for, or a medical diagnosis of, COVID–19 and such employee has been exposed to COVID–19 or the employee's employer has requested such test or diagnosis, or the employee is obtaining immunization related to COVID–19 or recovering from any injury, disability, illness, or condition related to such immunization' after medical diagnosis. Wages are qualified family leave wages are those which would have been required to be paid under the Emergency Family and Medical Leave Expansion Act (EFMLEA). This includes where the employee is seeking or awaiting the results of a diagnostic test for, or a medical diagnosis of, COVID–19 and such employee has been exposed to COVID–19 or the employee's employer has requested such test or diagnosis, or the employee is obtaining immunization related to COVID–19 or recovering from any injury, disability, illness, or condition related to such immunization' after 'public health emergency', among other conditions. The credits are available to federal instrumentalities that are 501(c)(1) organizations such as federal credit unions.		
Section 9651. Extension of employee retention credit.	Extends payroll retention credit similar to what was previously authorized under previous COVID relief legislation. As with the CARES Act employee retention credit, employers must meet eligibility criteria. For example, an employer could satisfy the criteria if they experienced full or partial COVID-related business disruption. An eligible employer for which the average number of full-time employees employed during 2019 was not greater than 500 may elect for any calendar quarter to receive an advance payment of the credit.	Only applies to wages paid after June 30, 2021, and before January 1, 2022.	**Internal Revenue Service (IRS)**

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Updated 03/15/2021

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Section 9651. Extension of employee retention credit (cont'd).	As with the payroll credits described above, certain restrictions are relaxed on employer eligibility from previous COVID relief laws. Federal credit unions, to the extent they were previously excluded from applying for the credit as federal instrumentalities, are now permitted to do so. The restriction related to government employers now provides an exception for 501(c)(1) tax exempt organizations, which include federal credit unions.		
Section 9672. Tax treatment of targeted EIDL advances.	Stipulates that for tax purposes, Economic Injury and Disaster Loans (EIDL) advances shall not be included in the gross income of the recipient. S corporations who received EIDL advances can also exclude them from gross income.		**Internal Revenue Service (IRS)**