

COVID-19 Congressional Update

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March 26, 2020

In NGWA's continued efforts to keep our membership and supporters informed during the COVID-19 epidemic, we would like to provide an update from recent federal legislative actions in D.C.

We would like to thank our friends at the Irrigation Association for their assistance in providing this information.

Earlier this month, Congress passed Phase 1 and 2 of their COVID-19 relief bills.

Details on Phase 1, 2, & 3 Corona Virus Bills

H.R. 6074 – Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (Phase I)

Enacted on March 6, 2020

Provides \$8.3 billion in emergency funding for federal agencies to respond to the coronavirus outbreak related to developing a vaccine, medical supplies, grants for public health agencies, small business loans, and assistance for health systems in other countries. Allowed for temporarily waiving Medicare restrictions and requirements regarding telehealth services.

Food and Drug Administration

\$61 million to facilitate the development and review, both pre-market and post-market, of medical countermeasures, devices, therapies, and vaccines to combat the coronavirus.

Small Business Disaster Loans

Allows \$1 billion in loan subsidies to be made available to help small businesses, small agricultural cooperatives, small aquaculture producers, and nonprofit organizations which have been impacted by financial losses as a result of the coronavirus outbreak.

<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

Centers for Disease Control and Prevention

Provides \$2.2 billion to support federal, state, and local public health agencies to prevent, prepare for, and respond to the coronavirus.

Vaccines, Therapeutics, and Diagnostics

Provides more than \$3 billion for research and development of vaccines, therapeutics, and diagnostics to prevent or treat the effects of coronavirus.

Emergency Telehealth Waiver

Allows the Secretary of Health and Human Services (HHS) to waive certain Medicare telehealth restrictions during the coronavirus public health emergency.

H.R. 6201 – Families First Coronavirus Response Act (Phase II)

Enacted on March 18, 2020

This bill provides free coronavirus testing, establishes paid leave, enhances unemployment insurance, expands food security initiatives, and increases federal Medicaid funding.

Amendments to the Family and Medical Leave Act (FMLA)

This section provides employees of employers with fewer than 500 employees and government employers, who have been on the job for at least 30 days, with the right to take up to 12 weeks of job-protected leave under the Family and Medical Leave Act to be used for any of the following reasons:

- To adhere to a requirement or recommendation to quarantine due to exposure to or symptoms of coronavirus
- To care for an at-risk family member who is adhering to a requirement or recommendation to quarantine due to exposure to or symptoms of coronavirus
- To care for a child of an employee if the child's school or place of care has been closed, or the child-care provider is unavailable, due to a coronavirus.

After the two weeks of paid leave, employees will receive a benefit from their employers that will be no less than two-thirds of the employee's usual pay.

The Emergency Paid Sick Leave Act

This section requires employers with fewer than 500 employees and government employers to provide employees two weeks of paid sick leave, paid at the employee's regular rate, to quarantine or seek a diagnosis or preventive care for coronavirus; or paid at two-thirds the employee's regular rate to care for a family member for such purposes or to care for a child whose school has closed, or child care provider is unavailable, due to the coronavirus.

- Full-time employees are entitled to two weeks (80 hours) and part-time employees are entitled to the typical number of hours that they work in a typical two-week period.
- The bill ensures employees who work under a multiemployer collective agreement and whose employers pay into a multiemployer plan are provided with leave.

The Act, and the requirements under the Act, expire on December 31, 2020.

Payroll Credit for Required Paid Sick Leave

This section provides a refundable tax credit equal to 100 percent of qualified paid sick leave wages paid by an employer for each calendar quarter. The tax credit is allowed against the tax imposed by the employer portion of Social Security taxes. Qualified sick leave wages are wages required to be paid by the Emergency Paid Sick Leave Act.

The section makes a distinction between qualified sick leave wages paid with respect to employees who must self-isolate, obtain a diagnosis, or comply with a self-isolation recommendation with respect to coronavirus. For amounts paid to those employees, the amount of qualified sick leave wages taken into account for each employee is capped at \$511 per day.

For amounts paid to employees caring for a family member or for a child whose school or place of care has been closed, the amount of qualified sick leave wages taken into account for each employee is capped at \$200 per day. The aggregate number of days taken into account per employee may not exceed the excess of 10 over the aggregate number of days taken into account for all preceding calendar quarters.

Implementation of Tax Credits

Includes \$15 million for the Internal Revenue Service to implement tax credits for paid sick and paid family and medical leave.

Upcoming Phase 3 Legislation

Last night, the Senate passed a sweeping "Phase 3" stimulus bill in response to the COVID-19 epidemic. The \$2 trillion bill, which is headed to the House of Representatives for a final vote on Friday, contains the following:

Employee Retention Credit

- Fully refundable tax credit is available, tied to the payment of employee wages, against the employer's share of Social Security taxes.
- All eligible employers would be permitted to claim a 50 percent credit of wages paid up to \$10,000 per employee.
- The credit is available to employers whose (1) operations were fully or partially suspended, due to a COVID-19-related shut-down order, or (2) gross receipts declined by more than 50 percent when compared to the same quarter in the prior year.

Paycheck Protection Program

The Program provides forgivable Small Business Administration loans to businesses with 500 or fewer employees (generally), including sole proprietors and other self-employed individuals. Total authorization level of \$349 billion for the 7(a) program through December 31, 2020.

Cash and Retirement Plans

- Rebates of up to \$1200 for single filers and \$2400 for joint filers (with amounts increased by \$500 per child). These payments are subject to phase-outs beginning at \$75,000/\$150,000 adjusted gross income/ joint filers. Individuals who have no income or those whose income comes from entirely non-taxable means-tested benefit programs are eligible to receive.

Unemployment

- Establish a temporary Pandemic Unemployment Assistance program through December 31, 2020 to provide payment to those not traditionally eligible for unemployment benefits (self-employed, independent contractors, those with limited work history, and others) who are unable to work as a direct result of the coronavirus public health emergency.
- Provide an additional \$600 per week payment to each recipient of unemployment insurance or Pandemic Unemployment Assistance for up to four months.
- Provide an additional 13 weeks of unemployment benefits through December 31, 2020.

As a reminder, this bill has not yet passed the House of Representatives and still may change before being sent to the President for his signature. Once the final bill is approved and signed into law, NGWA will be putting together a complete analysis of the bill and how it will impact our members and industry.

Click to view the full documents:

- **Phase 1 and 2**
- **Phase 3**

We encourage you to use our **COVID-19 Facebook Discussion Group** to share information on how this legislation may impact your business and our industry. We will continue to monitor the situation and be available for any questions or comments you may have about this or any other future legislation.

We will continue to keep you informed and encourage you to **visit the NGWA COVID-19 Information page** on our website.

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