

Proposed Legislation

Tax-Related Portions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Engrossed Senate Amendment, as Passed by the Senate on March 25, 2020, (Mar. 30, 2020)

HR 748

116th Congress

In the Senate of the United States,

March 25, 2020.

Resolved, That the bill from the House of Representatives (H.R. 748) entitled “An Act to amend the Internal Revenue Code of 1986 to repeal the excise tax on high cost employer-sponsored health coverage.”, do pass with the following

AMENDMENT:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Coronavirus Aid, Relief, and Economic Security Act” or the “CARES Act”.

SEC. 2. TABLE OF CONTENTS.

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- Sec. 2301. Employee retention credit for employers subject to closure due to COVID-19.
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Sec. 4119. Coordination.

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SEC. 3. REFERENCES.

Except as expressly provided otherwise, any reference to “this Act” contained in any division of this Act shall be treated as referring only to the provisions of that division.

DIVISION A—KEEPING WORKERS PAID AND EMPLOYED, HEALTH CARE SYSTEM ENHANCEMENTS, AND ECONOMIC STABILIZATION

TITLE I—KEEPING AMERICAN WORKERS PAID AND EMPLOYED ACT

SEC. 1101. DEFINITIONS.

In this title—

(1) the terms “Administration” and “Administrator” mean the Small Business Administration and the Administrator thereof, respectively; and

(2) the term “small business concern” has the meaning given the term in section 3 of the Small Business Act (15 U.S.C. 636).

SEC. 1106. LOAN FORGIVENESS.

(a) Definitions.—In this section—

(1) the term “covered loan” means a loan guaranteed under paragraph (36) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as added by section 1102;

(2) the term “covered mortgage obligation” means any indebtedness or debt instrument incurred in the ordinary course of business that—

(A) is a liability of the borrower;

(B) is a mortgage on real or personal property; and

(C) was incurred before February 15, 2020;

(3) the term “covered period” means the 8-week period beginning on the date of the origination of a covered loan;

(4) the term “covered rent obligation” means rent obligated under a leasing agreement in force before February 15, 2020;

(5) the term “covered utility payment” means payment for a service for the distribution of electricity, gas, water, transportation, telephone, or internet access for which service began before February 15, 2020;

(6) the term “eligible recipient” means the recipient of a covered loan;

(7) the term “expected forgiveness amount” means the amount of principal that a lender reasonably expects a borrower to expend during the covered period on the sum of any—

(A) payroll costs;

(B) payments of interest on any covered mortgage obligation (which shall not include any prepayment of or payment of principal on a covered mortgage obligation);

(C) payments on any covered rent obligation; and

(D) covered utility payments; and

(8) the term “payroll costs” has the meaning given that term in paragraph (36) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as added by section 1102 of this Act.

(b) Forgiveness.—An eligible recipient shall be eligible for forgiveness of indebtedness on a covered loan in an amount equal to the sum of the following costs incurred and payments made during the covered period:

(1) Payroll costs.

(2) Any payment of interest on any covered mortgage obligation (which shall not include any prepayment of or payment of principal on a covered mortgage obligation).

(3) Any payment on any covered rent obligation.

(4) Any covered utility payment.

(c) Treatment of Amounts Forgiven.—

(1) In general.—Amounts which have been forgiven under this section shall be considered canceled indebtedness by a lender authorized under section 7(a) of the Small Business Act (15 U.S.C. 636(a)).

(2) Purchase of guarantees.—For purposes of the purchase of the guarantee for a covered loan by the Administrator, amounts which are forgiven under this section shall be treated in accordance with the procedures that are otherwise applicable to a loan guaranteed under section 7(a) of the Small Business Act (15 U.S.C. 636(a)).

(3) Remittance.—Not later than 90 days after the date on which the amount of forgiveness under this section is determined, the Administrator shall remit to the lender an amount equal to the amount of forgiveness, plus any interest accrued through the date of payment.

(4) Advance purchase of covered loan.—

(A) Report.—A lender authorized under section 7(a) of the Small Business Act (15 U.S.C. 636(a)), or, at the discretion of the Administrator, a third party participant in the secondary market, may, report to the Administrator an expected forgiveness amount on a covered loan or on a pool of covered loans of up to 100 percent of the principal on the covered loan or pool of covered loans, respectively.

(B) Purchase.—The Administrator shall purchase the expected forgiveness amount described in subparagraph (A) as if the amount were the principal amount of a loan guaranteed under section 7(a) of the Small Business Act 636(a)).

(C) Timing.—Not later than 15 days after the date on which the Administrator receives a report under subparagraph (A), the Administrator shall purchase the expected forgiveness amount under subparagraph (B) with respect to each covered loan to which the report relates.

(d) Limits on Amount of Forgiveness.—

(1) Amount may not exceed principal.—The amount of loan forgiveness under this section shall not exceed the principal amount of the financing made available under the applicable covered loan.

(2) Reduction based on reduction in number of employees.—

(A) In general.—The amount of loan forgiveness under this section shall be reduced, but not increased, by multiplying the amount described in subsection (b) by the quotient obtained by dividing—

(i) the average number of full-time equivalent employees per month employed by the eligible recipient during the covered period; by

(ii)(I) at the election of the borrower—

(aa) the average number of full-time equivalent employees per month employed by the eligible recipient during the period beginning on February 15, 2019 and ending on June 30, 2019; or

(bb) the average number of full-time equivalent employees per month employed by the eligible recipient during the period beginning on January 1, 2020 and ending on February 29, 2020; or

(II) in the case of an eligible recipient that is seasonal employer, as determined by the Administrator, the average number of full-time equivalent employees per month employed by the eligible recipient during the period beginning on February 15, 2019 and ending on June 30, 2019.

(B) Calculation of average number of employees.—

For purposes of subparagraph (A), the average number of full-time equivalent employees shall be determined by calculating the average number of full-time equivalent employees for each pay period falling within a month.

(3) Reduction relating to salary and wages.—

(A) In general.—The amount of loan forgiveness under this section shall be reduced by the amount of any reduction in total salary or wages of any employee described in subparagraph (B) during the covered period that is in excess of 25 percent of the total salary or wages of the employee during the most recent full quarter during which the employee was employed before the covered period.

(B) Employees described.—An employee described in this subparagraph is any employee who did not receive, during any single pay period during 2019, wages or salary at an annualized rate of pay in an amount more than \$100,000.

(4) Tipped workers.—An eligible recipient with tipped employees described in section 3(m)(2)(A) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(m)(2)(A)) may receive forgiveness for additional wages paid to those employees.

(5) Exemption for re-hires.—

(A) In general.—In a circumstance described in subparagraph (B), the amount of loan forgiveness under this section shall be determined without regard to a reduction in the number of full-time equivalent employees of an eligible recipient or a reduction in the salary of 1 or more employees of the eligible recipient, as applicable, during the period beginning on February 15, 2020 and ending on the date that is 30 days after the date of enactment of this Act.

(B) Circumstances.—A circumstance described in this subparagraph is a circumstance—

(i) in which—

(I) during the period beginning on February 15, 2020 and ending on the date that is 30 days after the date of enactment of this Act, there is a reduction, as compared to February 15, 2020, in the number of full-time equivalent employees of an eligible recipient; and

(II) not later than June 30, 2020, the eligible employer has eliminated the reduction in the number of full-time equivalent employees;

(ii) in which—

(I) during the period beginning on February 15, 2020 and ending on the date that is 30 days after the date of enactment of this Act, there is a reduction, as compared to February 15, 2020, in the salary or wages of 1 or more employees of the eligible recipient; and

(II) not later than June 30, 2020, the eligible employer has eliminated the reduction in the salary or wages of such employees; or

(iii) in which the events described in clause (i) and (ii) occur.

(6) Exemptions.—The Administrator and the Secretary of the Treasury may prescribe regulations granting de minimis exemptions from the requirements under this subsection.

(e) Application.—An eligible recipient seeking loan forgiveness under this section shall submit to the lender that is servicing the covered loan an application, which shall include—

(1) documentation verifying the number of full-time equivalent employees on payroll and pay rates for the periods described in subsection (d), including—

(A) payroll tax filings reported to the Internal Revenue Service; and

(B) State income, payroll, and unemployment insurance filings;

(2) documentation, including cancelled checks, payment receipts, transcripts of accounts, or other documents verifying payments on covered mortgage obligations, payments on covered lease obligations, and covered utility payments;

(3) a certification from a representative of the eligible recipient authorized to make such certifications that—

(A) the documentation presented is true and correct; and

(B) the amount for which forgiveness is requested was used to retain employees, make interest payments on a covered mortgage obligation, make payments on a covered rent obligation, or make covered utility payments; and

(4) any other documentation the Administrator determines necessary.

(f) Prohibition on Forgiveness Without Documentation.—No eligible recipient shall receive forgiveness under this section without submitting to the lender that is servicing the covered loan the documentation required under subsection (e).

(g) Decision.—Not later than 60 days after the date on which a lender receives an application for loan forgiveness under this section from an eligible recipient, the lender shall issue a decision on the an application.

(h) Hold Harmless.—If a lender has received the documentation required under this section from an eligible recipient attesting that the eligible recipient has accurately verified the payments for payroll costs, payments on covered mortgage obligations, payments on covered lease obligations, or covered utility payments during covered period—

(1) an enforcement action may not be taken against the lender under section 47(e) of the Small Business Act (15 U.S.C. 657t(e)) relating to loan forgiveness for the payments for payroll costs, payments on covered mortgage obligations, payments on covered lease obligations, or covered utility payments, as the case may be; and

(2) the lender shall not be subject to any penalties by the Administrator relating to loan forgiveness for the payments for payroll costs, payments on covered mortgage obligations, payments on covered lease obligations, or covered utility payments, as the case may be.

(i) Taxability.—For purposes of the Internal Revenue Code of 1986, any amount which (but for this subsection) would be includible in gross income of the eligible recipient by reason of forgiveness described in subsection (b) shall be excluded from gross income.

(j) Rule of Construction.—The cancellation of indebtedness on a covered loan under this section shall not otherwise modify the terms and conditions of the covered loan.

(k) Regulations.—Not later than 30 days after the date of enactment of this Act, the Administrator shall issue guidance and regulations implementing this section.

TITLE II—ASSISTANCE FOR AMERICAN WORKERS, FAMILIES, AND BUSINESSES

Subtitle A—Unemployment Insurance Provisions

SEC. 2101. SHORT TITLE.

This subtitle may be cited as the “Relief for Workers Affected by Coronavirus Act”.

SEC. 2106. EMERGENCY STATE STAFFING FLEXIBILITY.

Section 4102(b) of the Emergency Unemployment Stabilization and Access Act of 2020 (contained in division D of the Families First Coronavirus Response Act) is amended—

(1) by striking “or employer experience rating” and inserting “employer experience rating, or, subject to the succeeding sentence, personnel standards on a merit basis”; and

(2) by adding at the end the following new sentence: “The emergency flexibility for personnel standards on a merit basis shall only apply through December 31, 2020, and is limited to engaging of temporary staff, rehiring of retirees or former employees on a non-competitive basis, and other temporary actions to quickly process applications and claims.”.

SEC. 2108. TEMPORARY FINANCING OF SHORT-TIME COMPENSATION PAYMENTS IN STATES WITH PROGRAMS IN LAW.

(a) Payments to States.—

(1) In general.—Subject to paragraph (3), there shall be paid to a State an amount equal to 100 percent of the amount of short-time compensation paid under a short-time compensation program (as defined in section 3306(v) of the Internal Revenue Code of 1986) under the provisions of the State law.

(2) Terms of payments.—Payments made to a State under paragraph (1) shall be payable by way of reimbursement in such amounts as the Secretary estimates the State will be entitled to receive under this section for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that the Secretary's estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.

(3) Limitations on payments.—

(A) General payment limitations.—No payments shall be made to a State under this section for short-time compensation paid to an individual by the State during a benefit year in excess of 26 times the amount of regular compensation (including dependents' allowances) under the State law payable to such individual for a week of total unemployment.

(B) Employer limitations.—No payments shall be made to a State under this section for benefits paid to an individual by the State under a short-time compensation program if such individual is employed by the participating employer on a seasonal, temporary, or intermittent basis.

(b) Applicability.—Payments to a State under subsection (a) shall be available for weeks of unemployment—

(1) beginning on or after the date of the enactment of this Act; and

(2) ending on or before December 31, 2020.

(c) New Programs.—Subject to subsection (b)(2), if at any point after the date of the enactment of this Act the State enacts a State law providing for the payment of short-time compensation under a short-time compensation program that meets the definition of such a program under section 3306(v) of the Internal Revenue Code of 1986, the State shall be eligible for payments under this section after the effective date of such enactment.

(d) Funding and Certifications.—

(1) Funding.—There are appropriated, out of moneys in the Treasury not otherwise appropriated, such sums as may be necessary for purposes of carrying out this section.

(2) Certifications.—The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this section.

(e) Definitions.—In this section:

(1) Secretary.—The term “Secretary” means the Secretary of Labor.

(2) State; state agency; state law.—The terms “State”, “State agency”, and “State law” have the meanings given those terms in section 205 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

(f) Technical Correction to Definition.—Section 3306(v)(6) of the Internal Revenue Code of 1986 (26 U.S.C. 3306) is amended by striking “Workforce Investment Act of 1998” and inserting “Workforce Innovation and Opportunity Act”.

Subtitle B—Rebates and Other Individual Provisions

SEC. 2201. 2020 RECOVERY REBATES FOR INDIVIDUALS.

(a) In General.—Subchapter B of chapter 65 of subtitle F of the Internal Revenue Code of 1986 is amended by inserting after section 6427 the following new section:

“SEC. 6428. 2020 RECOVERY REBATES FOR INDIVIDUALS.

“(a) In General.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by subtitle A for the first taxable year beginning in 2020 an amount equal to the sum of—

“(1) \$1,200 (\$2,400 in the case of eligible individuals filing a joint return), plus

“(2) an amount equal to the product of \$500 multiplied by the number of qualifying children (within the meaning of section 24(c)) of the taxpayer.

“(b) Treatment of Credit.—The credit allowed by subsection (a) shall be treated as allowed by subpart C of part IV of subchapter A of chapter 1.

“(c) Limitation Based on Adjusted Gross Income.—The amount of the credit allowed by subsection (a) (determined without regard to this subsection and subsection (e)) shall be reduced (but not below zero) by 5 percent of so much of the taxpayer's adjusted gross income as exceeds—

“(1) \$150,000 in the case of a joint return,

“(2) \$112,500 in the case of a head of household, and

“(3) \$75,000 in the case of a taxpayer not described in paragraph (1) or (2).

“(d) Eligible Individual.—For purposes of this section, the term ‘eligible individual’ means any individual other than—

“(1) any nonresident alien individual,

“(2) any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which the individual's taxable year begins, and

“(3) an estate or trust.

“(e) Coordination With Advance Refunds of Credit.—

“(1) In general.—The amount of credit which would (but for this paragraph) be allowable under this section shall be reduced (but not below zero) by the aggregate refunds and credits made or allowed to the taxpayer under subsection (f). Any failure to so reduce the credit shall be treated as arising out of a mathematical or clerical error and assessed according to section 6213(b)(1).

“(2) Joint returns.—In the case of a refund or credit made or allowed under subsection (f) with respect to a joint return, half of such refund or credit shall be treated as having been made or allowed to each individual filing such return.

“(f) Advance Refunds and Credits.—

“(1) In general.—Subject to paragraph (5), each individual who was an eligible individual for such individual's first taxable year beginning in 2019 shall be treated as having made a payment against the tax imposed by chapter 1 for such taxable year in an amount equal to the advance refund amount for such taxable year.

“(2) Advance refund amount.—For purposes of paragraph (1), the advance refund amount is the amount that would have been allowed as a credit under this section for such taxable year if this section (other than subsection (e) and this subsection) had applied to such taxable year.

“(3) Timing and manner of payments.—

“(A) Timing.—The Secretary shall, subject to the provisions of this title, refund or credit any overpayment attributable to this section as rapidly as possible. No refund or credit shall be made or allowed under this subsection after December 31, 2020.

“(B) Delivery of payments.—Notwithstanding any other provision of law, the Secretary may certify and disburse refunds payable under this subsection electronically to any account to which the payee authorized, on or after

January 1, 2018, the delivery of a refund of taxes under this title or of a Federal payment (as defined in section 3332 of title 31, United States Code).

“(C) Waiver of certain rules.—Notwithstanding section 3325 of title 31, United States Code, or any other provision of law, with respect to any payment of a refund under this subsection, a disbursing official in the executive branch of the United States Government may modify payment information received from an officer or employee described in section 3325(a)(1)(B) of such title for the purpose of facilitating the accurate and efficient delivery of such payment. Except in cases of fraud or reckless neglect, no liability under sections 3325, 3527, 3528, or 3529 of title 31, United States Code, shall be imposed with respect to payments made under this subparagraph.

“(4) No interest.—No interest shall be allowed on any overpayment attributable to this section.

“(5) Alternate taxable year.—In the case of an individual who, at the time of any determination made pursuant to paragraph (3), has not filed a tax return for the year described in paragraph (1), the Secretary may—

“(A) apply such paragraph by substituting ‘2018’ for ‘2019’, and

“(B) if the individual has not filed a tax return for such individual's first taxable year beginning in 2018, use information with respect to such individual for calendar year 2019 provided in—

“(i) Form SSA-1099, Social Security Benefit Statement, or

“(ii) Form RRB-1099, Social Security Equivalent Benefit Statement.

“(6) Notice to taxpayer.—Not later than 15 days after the date on which the Secretary distributed any payment to an eligible taxpayer pursuant to this subsection, notice shall be sent by mail to such taxpayer's last known address. Such notice shall indicate the method by which such payment was made, the amount of such payment, and a phone number for the appropriate point of contact at the Internal Revenue Service to report any failure to receive such payment.

“(g) Identification Number Requirement.—

“(1) In general.—No credit shall be allowed under subsection (a) to an eligible individual who does not include on the return of tax for the taxable year—

“(A) such individual's valid identification number,

“(B) in the case of a joint return, the valid identification number of such individual's spouse, and

“(C) in the case of any qualifying child taken into account under subsection (a)(2), the valid identification number of such qualifying child.

“(2) Valid identification number.—

“(A) In general.—For purposes of paragraph (1), the term ‘valid identification number’ means a social security number (as such term is defined in section 24(h)(7)).

“(B) Adoption taxpayer identification number.—For purposes of paragraph (1)(C), in the case of a qualifying child who is adopted or placed for adoption, the term ‘valid identification number’ shall include the adoption taxpayer identification number of such child.

“(3) Special rule for members of the armed forces.—

Paragraph (1)(B) shall not apply in the case where at least 1 spouse was a member of the Armed Forces of the United States at any time during the taxable year and at least 1 spouse satisfies paragraph (1)(A).

“(4) Mathematical or clerical error authority.—Any omission of a correct valid identification number required under this subsection shall be treated as a mathematical or clerical error for purposes of applying section 6213(g)(2) to such omission.

“(h) Regulations.—The Secretary shall prescribe such regulations or other guidance as may be necessary to carry out the purposes of this section, including any such measures as are deemed appropriate to avoid allowing multiple credits or rebates to a taxpayer.”.

(b) Administrative Amendments.—

(1) Definition of deficiency.—Section 6211(b)(4)(A) of the Internal Revenue Code of 1986 is amended by striking “and 36B, 168(k)(4)” and inserting “36B, and 6428”.

(2) Mathematical or clerical error authority.—Section 6213(g)(2)(L) of such Code is amended by striking “or 32” and inserting “32, or 6428”.

(c) Treatment of Possessions.—

(1) Payments to possessions.—

(A) Mirror code possession.—The Secretary of the Treasury shall pay to each possession of the United States which has a mirror code tax system amounts equal to the loss (if any) to that possession by reason of the amendments made by this section. Such amounts shall be determined by the Secretary of the Treasury based on information provided by the government of the respective possession.

(B) Other possessions.—The Secretary of the Treasury shall pay to each possession of the United States which does not have a mirror code tax system amounts estimated by the Secretary of the Treasury as being equal to the aggregate benefits (if any) that would have been provided to residents of such possession by reason of the amendments made by this section if a mirror code tax system had been in effect in such possession. The preceding sentence shall not apply unless the respective possession has a plan, which has been approved by the Secretary of the Treasury, under which such possession will promptly distribute such payments to its residents.

(2) Coordination with credit allowed against United States income taxes.—No credit shall be allowed against United States income taxes under section 6428 of the Internal Revenue Code of 1986 (as added by this section) to any person—

(A) to whom a credit is allowed against taxes imposed by the possession by reason of the amendments made by this section, or

(B) who is eligible for a payment under a plan described in paragraph (1)(B).

(3) Definitions and special rules.—

(A) Possession of the United States.—For purposes of this subsection, the term “possession of the United States” includes the Commonwealth of Puerto Rico and the Commonwealth of the Northern Mariana Islands.

(B) Mirror code tax system.—For purposes of this subsection, the term “mirror code tax system” means, with respect to any possession of the United States, the income tax system of such possession if the income tax liability of the residents of such possession under such system is determined by reference to the income tax laws of the United States as if such possession were the United States.

(C) Treatment of payments.—For purposes of section 1324 of title 31, United States Code, the payments under this subsection shall be treated in the same manner as a refund due from a credit provision referred to in subsection (b)(2) of such section.

(d) Exception From Reduction or Offset.—Any credit or refund allowed or made to any individual by reason of section 6428 of the Internal Revenue Code of 1986 (as added by this section) or by reason of subsection (c) of this section shall not be—

(1) subject to reduction or offset pursuant to section 3716 or 3720A of title 31, United States Code,

(2) subject to reduction or offset pursuant to subsection (d), (e), or (f) of section 6402 of the Internal Revenue Code of 1986, or

(3) reduced or offset by other assessed Federal taxes that would otherwise be subject to levy or collection.

(e) Public Awareness Campaign.—The Secretary of the Treasury (or the Secretary's delegate) shall conduct a public awareness campaign, in coordination with the Commissioner of Social Security and the heads of other relevant Federal agencies, to provide information regarding the availability of the credit and rebate allowed under

section 6428 of the Internal Revenue Code of 1986 (as added by this section), including information with respect to individuals who may not have filed a tax return for taxable year 2018 or 2019.

(f) Appropriations to Carry Out Rebates.—

(1) In general.—Immediately upon the enactment of this Act, the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2020:

(A) Department of the treasury.—

(i) For an additional amount for “Department of the Treasury—Bureau of the Fiscal Service—Salaries and Expenses”, \$78,650,000, to remain available until September 30, 2021.

(ii) For an additional amount for “Department of the Treasury—Internal Revenue Service—Taxpayer Services”, \$293,500,000, to remain available until September 30, 2021.

(iii) For an additional amount for “Department of the Treasury—Internal Revenue Service—Operations Support”, \$170,000,000, to remain available until September 30, 2021.

(iv) For an additional amount for “Department of Treasury—Internal Revenue Service—Enforcement”, \$37,200,000, to remain available until September 30, 2021.

Amounts made available in appropriations under clauses (ii), (iii), and (iv) of this subparagraph may be transferred between such appropriations upon the advance notification of the Committees on Appropriations of the House of Representatives and the Senate. Such transfer authority is in addition to any other transfer authority provided by law.

(B) Social security administration.—For an additional amount for “Social Security Administration—Limitation on Administrative Expenses”, \$38,000,000, to remain available until September 30, 2021.

(2) Reports.—No later than 15 days after enactment of this Act, the Secretary of the Treasury shall submit a plan to the Committees on Appropriations of the House of Representatives and the Senate detailing the expected use of the funds provided by paragraph (1)(A). Beginning 90 days after enactment of this Act, the Secretary of the Treasury shall submit a quarterly report to the Committees on Appropriations of the House of Representatives and the Senate detailing the actual expenditure of funds provided by paragraph (1)(A) and the expected expenditure of such funds in the subsequent quarter.

(g) Conforming Amendments.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting “6428,” after “54B(h),”.

(2) The table of sections for subchapter B of chapter 65 of subtitle F of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 6427 the following:

“Sec. 6428. 2020 Recovery Rebates for individuals.”.

SEC. 2202. SPECIAL RULES FOR USE OF RETIREMENT FUNDS.

(a) Tax-favored Withdrawals From Retirement Plans.—

(1) In general.—Section 72(t) of the Internal Revenue Code of 1986 shall not apply to any coronavirus-related distribution.

(2) Aggregate dollar limitation.—

(A) In general.—For purposes of this subsection, the aggregate amount of distributions received by an individual which may be treated as coronavirus-related distributions for any taxable year shall not exceed \$100,000.

(B) Treatment of plan distributions.—If a distribution to an individual would (without regard to subparagraph (A)) be a coronavirus-related distribution, a plan shall not be treated as violating any requirement of the Internal Revenue Code of 1986 merely because the plan treats such distribution as a coronavirus-related distribution, unless the aggregate amount of such distributions from all plans maintained by the employer (and any member of any controlled group which includes the employer) to such individual exceeds \$100,000.

(C) Controlled group.—For purposes of subparagraph (B), the term “controlled group” means any group treated as a single employer under subsection (b), (c), (m), or (o) of section 414 of the Internal Revenue Code of 1986.

(3) Amount distributed may be repaid.—

(A) In general.—Any individual who receives a coronavirus-related 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.

(B) Treatment of repayments of distributions from eligible retirement plans other than iras.—For purposes of the Internal Revenue Code of 1986, if a contribution is made pursuant to subparagraph (A) with respect to a coronavirus-related distribution from an eligible retirement plan other than an individual retirement plan, then the taxpayer shall, to the extent of the amount of the contribution, be treated as having received the coronavirus-related distribution in an eligible rollover distribution (as defined in section 402(c)(4) of such Code) and as having transferred the amount to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(C) Treatment of repayments of distributions from iras.—For purposes of the Internal Revenue Code of 1986, if a contribution is made pursuant to subparagraph (A) with respect to a coronavirus-related distribution from an individual retirement plan (as defined by section 7701(a)(37) of such Code), then, to the extent of the amount of the contribution, the coronavirus-related distribution shall be treated as a distribution described in section 408(d)(3) of such Code and as having been transferred to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(4) Definitions.—For purposes of this subsection—

(A) Coronavirus-related distribution.—Except as provided in paragraph (2), the term “coronavirus-related distribution” means any distribution from an eligible retirement plan made—

(i) on or after January 1, 2020, and before December 31, 2020,

(ii) to an individual—

(I) who is diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention,

(II) whose spouse or dependent (as defined in section 152 of the Internal Revenue Code of 1986) is diagnosed with such virus or disease by such a test, or

(III) who experiences adverse financial consequences as a result of being quarantined, being furloughed or laid off or having work hours reduced due to such virus or disease, being unable to work due to lack of child care due to such virus or disease, closing or reducing hours of a business owned or operated by the individual due to such virus or disease, or other factors as determined by the Secretary of the Treasury (or the Secretary's delegate).

(B) Employee certification.—The administrator of an eligible retirement plan may rely on an employee's certification that the employee satisfies the conditions of subparagraph (A)(ii) in determining whether any distribution is a coronavirus-related distribution.

(C) Eligible retirement plan.—The term “eligible retirement plan” has the meaning given such term by section 402(c)(8)(B) of the Internal Revenue Code of 1986.

(5) Income inclusion spread over 3-year period.—

(A) In general.—In the case of any coronavirus-related distribution, unless the taxpayer elects not to have this paragraph apply for any taxable year, any amount required to be included in gross income for such taxable year shall be so included ratably over the 3-taxable-year period beginning with such taxable year.

(B) Special rule.—For purposes of subparagraph (A), rules similar to the rules of subparagraph (E) of section 408A(d)(3) of the Internal Revenue Code of 1986 shall apply.

(6) Special rules.—

(A) Exemption of distributions from trustee to trustee transfer and withholding rules.—For purposes of sections 401(a)(31), 402(f), and 3405 of the Internal Revenue Code of 1986, coronavirus-related distributions shall not be treated as eligible rollover distributions.

(B) Coronavirus-related distributions treated as meeting plan distribution requirements.—For purposes of the Internal Revenue Code of 1986, a coronavirus-related distribution shall be treated as meeting the requirements of sections 401(k)(2)(B)(i), 403(b)(7)(A)(i), 403(b)(11), and 457(d)(1)(A) of such Code and section 8433(h)(1) of title 5, United States Code.

(b) Loans From Qualified Plans.—

(1) Increase in limit on loans not treated as distributions.—In the case of any loan from a qualified employer plan (as defined under section 72(p)(4) of the Internal Revenue Code of 1986) to a qualified individual made during the 180-day period beginning on the date of the enactment of this Act—

(A) clause (i) of section 72(p)(2)(A) of such Code shall be applied by substituting “\$100,000” for “\$50,000”, and

(B) clause (ii) of such section shall be applied by substituting “the present value of the nonforfeitable accrued benefit of the employee under the plan” for “one-half of the present value of the nonforfeitable accrued benefit of the employee under the plan”.

(2) Delay of repayment.—In the case of a qualified individual with an outstanding loan (on or after the date of the enactment of this Act) from a qualified employer plan (as defined in section 72(p)(4) of the Internal Revenue Code of 1986)—

(A) if the due date pursuant to subparagraph (B) or (C) of section 72(p)(2) of such Code for any repayment with respect to such loan occurs during the period beginning on the date of the enactment of this Act and ending on December 31, 2020, such due date shall be delayed for 1 year,

(B) any subsequent repayments with respect to any such loan shall be appropriately adjusted to reflect the delay in the due date under subparagraph (A) and any interest accruing during such delay, and

(C) in determining the 5-year period and the term of a loan under subparagraph (B) or (C) of section 72(p)(2) of such Code, the period described in subparagraph (A) of this paragraph shall be disregarded.

(3) Qualified individual.—For purposes of this subsection, the term “qualified individual” means any individual who is described in subsection (a)(4)(A)(ii).

(c) Provisions Relating to Plan Amendments.—

(1) In general.—If this subsection applies to any amendment to any plan or annuity contract—

(A) such plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in paragraph (2)(B)(i), and

(B) except as provided by the Secretary of the Treasury (or the Secretary's delegate), such plan or contract shall not fail to meet the requirements of section 411(d)(6) of the Internal Revenue Code of 1986 and section 204(g) of the Employee Retirement Income Security Act of 1974 by reason of such amendment.

(2) Amendments to which subsection applies.—

(A) In general.—This subsection shall apply to any amendment to any plan or annuity contract which is made—

(i) pursuant to any provision of this section, or pursuant to any regulation issued by the Secretary of the Treasury or the Secretary of Labor (or the delegate of either such Secretary) under any provision of this section, and

(ii) on or before the last day of the first plan year beginning on or after January 1, 2022, or such later date as the Secretary of the Treasury (or the Secretary's delegate) may prescribe.

In the case of a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986), clause (ii) shall be applied by substituting the date which is 2 years after the date otherwise applied under clause (ii).

(B) Conditions.—This subsection shall not apply to any amendment unless—

(i) during the period—

(I) beginning on the date that this section or the regulation described in subparagraph (A)(i) takes effect (or in the case of a plan or contract amendment not required by this section or such regulation, the effective date specified by the plan), and

(II) ending on the date described in subparagraph (A)(ii) (or, if earlier, the date the plan or contract amendment is adopted),

the plan or contract is operated as if such plan or contract amendment were in effect, and

(ii) such plan or contract amendment applies retroactively for such period.

SEC. 2203. TEMPORARY WAIVER OF REQUIRED MINIMUM DISTRIBUTION RULES FOR CERTAIN RETIREMENT PLANS AND ACCOUNTS.

(a) In General.—Section 401(a)(9) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

“(I) Temporary waiver of minimum required distribution.—

“(i) In general.—The requirements of this paragraph shall not apply for calendar year 2020 to—

“(I) a defined contribution plan which is described in this subsection or in section 403(a) or 403(b),

“(II) a defined contribution plan which is an eligible deferred compensation plan described in section 457(b) but only if such plan is maintained by an employer described in section 457(e)(1)(A), or

“(III) an individual retirement plan.

“(ii) Special rule for required beginning dates in 2020.—Clause (i) shall apply to any distribution which is required to be made in calendar year 2020 by reason of—

“(I) a required beginning date occurring in such calendar year, and

“(II) such distribution not having been made before January 1, 2020.

“(iii) Special rules regarding waiver period.—For purposes of this paragraph—

“(I) the required beginning date with respect to any individual shall be determined without regard to this subparagraph for purposes of applying this paragraph for calendar years after 2020, and

“(II) if clause (ii) of subparagraph (B) applies, the 5-year period described in such clause shall be determined without regard to calendar year 2020.”.

(b) Eligible Rollover Distributions.—Section 402(c)(4) of the Internal Revenue Code of 1986 is amended by striking “2009” each place it appears in the last sentence and inserting “2020”.

(c) Effective Dates.—

(1) In general.—The amendments made by this section shall apply for calendar years beginning after December 31, 2019.

(2) Provisions relating to plan or contract amendments.—

(A) In general.—If this paragraph applies to any plan or contract amendment—

(i) such plan or contract shall not fail to be treated as being operated in accordance with the terms of the plan during the period described in subparagraph (B)(ii) solely because the plan operates in accordance with this section, and

(ii) except as provided by the Secretary of the Treasury (or the Secretary's delegate), such plan or contract shall not fail to meet the requirements of section 411(d)(6) of the Internal Revenue Code of 1986 and section 204(g) of the Employee Retirement Income Security Act of 1974 by reason of such amendment.

(B) Amendments to which paragraph applies.—

(i) In general.—This paragraph shall apply to any amendment to any plan or annuity contract which—

(I) is made pursuant to the amendments made by this section, and

(II) is made on or before the last day of the first plan year beginning on or after January 1, 2022.

In the case of a governmental plan, subclause (II) shall be applied by substituting “2024” for “2022”.

(ii) Conditions.—This paragraph shall not apply to any amendment unless during the period beginning on the effective date of the amendment and ending on December 31, 2020, the plan or contract is operated as if such plan or contract amendment were in effect.

SEC. 2204. ALLOWANCE OF PARTIAL ABOVE THE LINE DEDUCTION FOR CHARITABLE CONTRIBUTIONS.

(a) In General.—Section 62(a) of the Internal Revenue Code of 1986 is amended by inserting after paragraph (21) the following new paragraph:

“(22) Charitable contributions.—In the case of taxable years beginning in 2020, the amount (not to exceed \$300) of qualified charitable contributions made by an eligible individual during the taxable year.”.

(b) Definitions.—Section 62 of such Code is amended by adding at the end the following new subsection:

“(f) Definitions Relating to Qualified Charitable Contributions.—

For purposes of subsection (a)(22)—

“(1) Eligible individual.—The term ‘eligible individual’ means any individual who does not elect to itemize deductions.

“(2) Qualified charitable contributions.—The term ‘qualified charitable contribution’ means a charitable contribution (as defined in section 170(c))—

“(A) which is made in cash,

“(B) for which a deduction is allowable under section 170 (determined without regard to subsection (b) thereof), and

“(C) which is—

“(i) made to an organization described in section 170(b)(1)(A), and

“(ii) not—

“(I) to an organization described in section 509(a)(3), or

“(II) for the establishment of a new, or maintenance of an existing, donor advised fund (as defined in section 4966(d)(2)).

Such term shall not include any amount which is treated as a charitable contribution made in such taxable year by reason of subsection (b)(1)(G)(ii) or (d)(1) of section 170.”.

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2019.

SEC. 2205. MODIFICATION OF LIMITATIONS ON CHARITABLE CONTRIBUTIONS DURING 2020.

(a) Temporary Suspension of Limitations on Certain Cash Contributions.—

(1) In general.—Except as otherwise provided in paragraph (2), qualified contributions shall be disregarded in applying subsections (b) and (d) of section 170 of the Internal Revenue Code of 1986.

(2) Treatment of excess contributions.—For purposes of section 170 of the Internal Revenue Code of 1986—

(A) Individuals.—In the case of an individual—

(i) Limitation.—Any qualified contribution shall be allowed as a deduction only to the extent that the aggregate of such contributions does not exceed the excess of the taxpayer's contribution base (as defined in subparagraph (H) of section 170(b)(1) of such Code) over the amount of all other charitable contributions allowed under section 170(b)(1) of such Code.

(ii) Carryover.—If the aggregate amount of qualified contributions made in the contribution year (within the meaning of section 170(d)(1) of such Code) exceeds the limitation of clause (i), such excess shall be added to the excess described in section 170(b)(1)(G)(ii).

(B) Corporations.—In the case of a corporation—

(i) Limitation.—Any qualified contribution shall be allowed as a deduction only to the extent that the aggregate of such contributions does not exceed the excess of 25 percent of the taxpayer's taxable income (as determined under paragraph (2) of section 170(b) of such Code) over the amount of all other charitable contributions allowed under such paragraph.

(ii) Carryover.—If the aggregate amount of qualified contributions made in the contribution year (within the meaning of section 170(d)(2) of such Code) exceeds the limitation of clause (i), such excess shall be appropriately taken into account under section 170(d)(2) subject to the limitations thereof.

(3) Qualified contributions.—

(A) In general.—For purposes of this subsection, the term “qualified contribution” means any charitable contribution (as defined in section 170(c) of the Internal Revenue Code of 1986) if—

(i) such contribution is paid in cash during calendar year 2020 to an organization described in section 170(b)(1)

(A) of such Code, and

(ii) the taxpayer has elected the application of this section with respect to such contribution.

(B) Exception.—Such term shall not include a contribution by a donor if the contribution is—

(i) to an organization described in section 509(a)(3) of the Internal Revenue Code of 1986, or

(ii) for the establishment of a new, or maintenance of an existing, donor advised fund (as defined in section 4966(d)(2) of such Code).

(C) Application of election to partnerships and s corporations.—In the case of a partnership or S corporation, the election under subparagraph (A)(ii) shall be made separately by each partner or shareholder.

(b) Increase in Limits on Contributions of Food Inventory.—In the case of any charitable contribution of food during 2020 to which section 170(e)(3)(C) of the Internal Revenue Code of 1986 applies, subclauses (I) and (II) of clause (ii) thereof shall each be applied by substituting “25 percent” for “15 percent.”

(c) Effective Date.—This section shall apply to taxable years ending after December 31, 2019.

SEC. 2206. EXCLUSION FOR CERTAIN EMPLOYER PAYMENTS OF STUDENT LOANS.

(a) In General.—Paragraph (1) of section 127(c) of the Internal Revenue Code of 1986 is amended by striking “and” at the end of subparagraph (A), by redesignating subparagraph (B) as subparagraph (C), and by inserting after subparagraph (A) the following new subparagraph:

“(B) in the case of payments made before January 1, 2021, the payment by an employer, whether paid to the employee or to a lender, of principal or interest on any qualified education loan (as defined in section 221(d)(1)) incurred by the employee for education of the employee, and”.

(b) Conforming Amendment; Denial of Double Benefit.—The first sentence of paragraph (1) of section 221(e) of the Internal Revenue Code of 1986 is amended by inserting before the period the following: “, or for which an exclusion is allowable under section 127 to the taxpayer by reason of the payment by the taxpayer's employer of any indebtedness on a qualified education loan of the taxpayer”.

(c) Effective Date.—The amendments made by this section shall apply to payments made after the date of the enactment of this Act.

Subtitle C—Business Provisions

SEC. 2301. EMPLOYEE RETENTION CREDIT FOR EMPLOYERS SUBJECT TO CLOSURE DUE TO COVID-19.

(a) In General.—In the case of an eligible employer, there shall be allowed as a credit against applicable employment taxes for each calendar quarter an amount equal to 50 percent of the qualified wages with respect to each employee of such employer for such calendar quarter.

(b) Limitations and Refundability.—

(1) Wages taken into account.—The amount of qualified wages with respect to any employee which may be taken into account under subsection (a) by the eligible employer for all calendar quarters shall not exceed \$10,000.

(2) Credit limited to employment taxes.—The credit allowed by subsection (a) with respect to any calendar quarter shall not exceed the applicable employment taxes (reduced by any credits allowed under subsections (e) and (f) of section 3111 of the Internal Revenue Code of 1986 and sections 7001 and 7003 of the Families First Coronavirus Response Act) on the wages paid with respect to the employment of all the employees of the eligible employer for such calendar quarter.

(3) Refundability of excess credit.—

(A) In general.—If the amount of the credit under subsection (a) exceeds the limitation of paragraph (2) for any calendar quarter, such excess shall be treated as an overpayment that shall be refunded under sections 6402(a) and 6413(b) of the Internal Revenue Code of 1986.

(B) Treatment of payments.—For purposes of section 1324 of title 31, United States Code, any amounts due to the employer under this paragraph shall be treated in the same manner as a refund due from a credit provision referred to in subsection (b)(2) of such section.

(c) Definitions.—For purposes of this section—

(1) Applicable employment taxes.—The term “applicable employment taxes” means the following:

(A) The taxes imposed under section 3111(a) of the Internal Revenue Code of 1986.

(B) So much of the taxes imposed under section 3221(a) of such Code as are attributable to the rate in effect under section 3111(a) of such Code.

(2) Eligible employer.—

(A) In general.—The term “eligible employer” means any employer—

(i) which was carrying on a trade or business during calendar year 2020, and

(ii) with respect to any calendar quarter, for which—

(I) the operation of the trade or business described in clause (i) is fully or partially suspended during the calendar quarter due to orders from an appropriate governmental authority limiting commerce, travel, or group meetings (for commercial, social, religious, or other purposes) due to the coronavirus disease 2019 (COVID-19), or

(II) such calendar quarter is within the period described in subparagraph (B).

(B) Significant decline in gross receipts.—The period described in this subparagraph is the period—

(i) beginning with the first calendar quarter beginning after December 31, 2019, for which gross receipts (within the meaning of section 448(c) of the Internal Revenue Code of 1986) for the calendar quarter are less than 50 percent of gross receipts for the same calendar quarter in the prior year, and

(ii) ending with the calendar quarter following the first calendar quarter beginning after a calendar quarter described in clause (i) for which gross receipts of such employer are greater than 80 percent of gross receipts for the same calendar quarter in the prior year.

(C) Tax-exempt organizations.—In the case of an organization which is described in section 501(c) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code, clauses (i) and (ii)(I) of subparagraph (A) shall apply to all operations of such organization.

(3) Qualified wages.—

(A) In general.—The term “qualified wages” means—

(i) in the case of an eligible employer for which the average number of full-time employees (within the meaning of section 4980H of the Internal Revenue Code of 1986) employed by such eligible employer during 2019 was greater than 100, wages paid by such eligible employer with respect to which an employee is not providing services due to circumstances described in subclause (I) or (II) of paragraph (2)(A)(ii), or

(ii) in the case of an eligible employer for which the average number of full-time employees (within the meaning of section 4980H of the Internal Revenue Code of 1986) employed by such eligible employer during 2019 was not greater than 100—

(I) with respect to an eligible employer described in subclause (I) of paragraph (2)(A)(ii), wages paid by such eligible employer with respect to an employee during any period described in such clause, or

(II) with respect to an eligible employer described in subclause (II) of such paragraph, wages paid by such eligible employer with respect to an employee during such quarter.

Such term shall not include any wages taken into account under section 7001 or section 7003 of the Families First Coronavirus Response Act.

(B) Limitation.—Qualified wages paid or incurred by an eligible employer described in subparagraph (A)(i) with respect to an employee for any period described in such subparagraph may not exceed the amount such employee would have been paid for working an equivalent duration during the 30 days immediately preceding such period.

(C) Allowance for certain health plan expenses.—

(i) In general.—The term “qualified wages” shall include so much of the eligible employer's qualified health plan expenses as are properly allocable to such wages.

(ii) Qualified health plan expenses.—For purposes of this paragraph, the term “qualified health plan expenses” means amounts paid or incurred by the eligible employer to provide and maintain a group health plan (as defined in section 5000(b)(1) of the Internal Revenue Code of 1986), but only to the extent that such amounts are excluded from the gross income of employees by reason of section 106(a) of such Code.

(iii) Allocation rules.—For purposes of this paragraph, qualified health plan expenses shall be allocated to qualified wages in such manner as the Secretary may prescribe. Except as otherwise provided by the Secretary, such allocation shall be treated as properly made if made on the basis of being pro rata among employees and pro rata on the basis of periods of coverage (relative to the periods to which such wages relate).

(4) Secretary.—The term “Secretary” means the Secretary of the Treasury or the Secretary's delegate.

(5) Wages.—The term “wages” means wages (as defined in section 3121(a) of the Internal Revenue Code of 1986) and compensation (as defined in section 3231(e) of such Code).

(6) Other terms.—Any term used in this section which is also used in chapter 21 or 22 of the Internal Revenue Code of 1986 shall have the same meaning as when used in such chapter.

(d) Aggregation Rule.—All persons treated as a single employer under subsection (a) or (b) of section 52 of the Internal Revenue Code of 1986, or subsection (m) or (o) of section 414 of such Code, shall be treated as one employer for purposes of this section.

(e) Certain Rules to Apply.—For purposes of this section, rules similar to the rules of sections 51(i)(1) and 280C(a) of the Internal Revenue Code of 1986 shall apply.

(f) Certain Governmental Employers.—This credit shall not apply to the Government of the United States, the government of any State or political subdivision thereof, or any agency or instrumentality of any of the foregoing.

(g) Election Not to Have Section Apply.—This section shall not apply with respect to any eligible employer for any calendar quarter if such employer elects (at such time and in such manner as the Secretary may prescribe) not to have this section apply.

(h) Special Rules.—

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- (1) Employee not taken into account more than once.—An employee shall not be included for purposes of this section for any period with respect to any employer if such employer is allowed a credit under section 51 of the Internal Revenue Code of 1986 with respect to such employee for such period.
- (2) Denial of double benefit.—Any wages taken into account in determining the credit allowed under this section shall not be taken into account for purposes of determining the credit allowed under section 45S of such Code.
- (3) Third party payors.—Any credit allowed under this section shall be treated as a credit described in section 3511(d)(2) of such Code.
- (i) Transfers to Federal Old-Age and Survivors Insurance Trust Fund.—There are hereby appropriated to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund established under section 201 of the Social Security Act (42 U.S.C. 401) and the Social Security Equivalent Benefit Account established under section 15A(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 14231n-1(a)) amounts equal to the reduction in revenues to the Treasury by reason of this section (without regard to this subsection). Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Trust Fund or Account had this section not been enacted.
- (j) Rule for Employers Taking Small Business Interruption Loan.—If an eligible employer receives a covered loan under paragraph (36) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as added by section 1102 of this Act, such employer shall not be eligible for the credit under this section.
- (k) Treatment of Deposits.—The Secretary shall waive any penalty under section 6656 of the Internal Revenue Code of 1986 for any failure to make a deposit of any applicable employment taxes if the Secretary determines that such failure was due to the reasonable anticipation of the credit allowed under this section.
- (l) Regulations and Guidance.—The Secretary shall issue such forms, instructions, regulations, and guidance as are necessary—
- (1) to allow the advance payment of the credit under subsection (a), subject to the limitations provided in this section, based on such information as the Secretary shall require,
 - (2) to provide for the reconciliation of such advance payment with the amount advanced at the time of filing the return of tax for the applicable calendar quarter or taxable year,
 - (3) to provide for the recapture of the credit under this section if such credit is allowed to a taxpayer which receives a loan described in subsection (j) during a subsequent quarter,
 - (4) with respect to the application of the credit under subsection (a) to third party payors (including professional employer organizations, certified professional employer organizations, or agents under section 3504 of the Internal Revenue Code of 1986), including regulations or guidance allowing such payors to submit documentation necessary to substantiate the eligible employer status of employers that use such payors, and
 - (5) for application of subparagraphs (A)(ii)(II) and (B) of subsection (c)(2) in the case of any employer which was not carrying on a trade or business for all or part of the same calendar quarter in the prior year.
- (m) Application.—This section shall only apply to wages paid after March 12, 2020, and before January 1, 2021.

SEC. 2302. DELAY OF PAYMENT OF EMPLOYER PAYROLL TAXES.

- (a) In General.—
- (1) Taxes.—Notwithstanding any other provision of law, the payment for applicable employment taxes for the payroll tax deferral period shall not be due before the applicable date.
 - (2) Deposits.—Notwithstanding section 6302 of the Internal Revenue Code of 1986, an employer shall be treated as having timely made all deposits of applicable employment taxes that are required to be made (without regard to this section) for such taxes during the payroll tax deferral period if all such deposits are made not later than the applicable date.

(3) Exception.—This subsection shall not apply to any taxpayer if such taxpayer has had indebtedness forgiven under section 1106 of this Act with respect to a loan under paragraph (36) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as added by section 1102 of this Act, or indebtedness forgiven under section 1109 of this Act.

(b) SECA.—

(1) In general.—Notwithstanding any other provision of law, the payment for 50 percent of the taxes imposed under section 1401(a) of the Internal Revenue Code of 1986 for the payroll tax deferral period shall not be due before the applicable date.

(2) Estimated taxes.—For purposes of applying section 6654 of the Internal Revenue Code of 1986 to any taxable year which includes any part of the payroll tax deferral period, 50 percent of the taxes imposed under section 1401(a) of such Code for the payroll tax deferral period shall not be treated as taxes to which such section 6654 applies.

(c) Liability of Third Parties.—

(1) Acts to be performed by agents.—For purposes of section 3504 of the Internal Revenue Code of 1986, in the case of any person designated pursuant to such section (and any regulations or other guidance issued by the Secretary with respect to such section) to perform acts otherwise required to be performed by an employer under such Code, if such employer directs such person to defer payment of any applicable employment taxes during the payroll tax deferral period under this section, such employer shall be solely liable for the payment of such applicable employment taxes before the applicable date for any wages paid by such person on behalf of such employer during such period.

(2) Certified professional employer organizations.—For purposes of section 3511, in the case of a certified professional employer organization (as defined in subsection (a) of section 7705 of the Internal Revenue Code of 1986) that has entered into a service contract described in subsection (e)(2) of such section with a customer, if such customer directs such organization to defer payment of any applicable employment taxes during the payroll tax deferral period under this section, such customer shall, notwithstanding subsections (a) and (c) of section 3511, be solely liable for the payment of such applicable employment taxes before the applicable date for any wages paid by such organization to any work site employee performing services for such customer during such period.

(d) Definitions.—For purposes of this section—

(1) Applicable employment taxes.—The term “applicable employment taxes” means the following:

(A) The taxes imposed under section 3111(a) of the Internal Revenue Code of 1986.

(B) So much of the taxes imposed under section 3211(a) of such Code as are attributable to the rate in effect under section 3111(a) of such Code.

(C) So much of the taxes imposed under section 3221(a) of such Code as are attributable to the rate in effect under section 3111(a) of such Code.

(2) Payroll tax deferral period.—The term “payroll tax deferral period” means the period beginning on the date of the enactment of this Act and ending before January 1, 2021.

(3) Applicable date.—The term “applicable date” means—

(A) December 31, 2021, with respect to 50 percent of the amounts to which subsection (a) or (b), as the case may be, apply, and

(B) December 31, 2022, with respect to the remaining such amounts.

(4) Secretary.—The term “Secretary” means the Secretary of the Treasury (or the Secretary's delegate).

(e) Trust Funds Held Harmless.—There are hereby appropriated (out of any money in the Treasury not otherwise appropriated) for each fiscal year to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund established under section 201 of the Social Security Act (42 U.S.C. 401)

and the Social Security Equivalent Benefit Account established under section 15A(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n-1(a)) an amount equal to the reduction in the transfers to such fund for such fiscal year by reason of this section. Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Trust Fund had such amendments not been enacted.

(f) Regulatory Authority.—The Secretary shall issue such regulations or other guidance as necessary to carry out the purposes of this section, including rules for the administration and enforcement of subsection (c).

SEC. 2303. MODIFICATIONS FOR NET OPERATING LOSSES.

(a) Temporary Repeal of Taxable Income Limitation.—

(1) In general.—The first sentence of section 172(a) of the Internal Revenue Code of 1986 is amended by striking “an amount equal to” and all that follows and inserting “an amount equal to—

“(1) in the case of a taxable year beginning before January 1, 2021, the aggregate of the net operating loss carryovers to such year, plus the net operating loss carrybacks to such year, and

“(2) in the case of a taxable year beginning after December 31, 2020, the sum of—

“(A) the aggregate amount of net operating losses arising in taxable years beginning before January 1, 2018, carried to such taxable year, plus

“(B) the lesser of—

“(i) the aggregate amount of net operating losses arising in taxable years beginning after December 31, 2017, carried to such taxable year, or

“(ii) 80 percent of the excess (if any) of—

“(I) taxable income computed without regard to the deductions under this section and sections 199A and 250, over

“(II) the amount determined under subparagraph (A).”.

(2) Conforming amendments.—

(A) Section 172(b)(2)(C) of such Code is amended to read as follows:

“(C) for taxable years beginning after December 31, 2020, be reduced by 20 percent of the excess (if any) described in subsection (a)(2)(B)(ii) for such taxable year.”.

(B) Section 172(d)(6)(C) of such Code is amended by striking “subsection (a)(2)” and inserting “subsection (a)(2)(B)(ii)(I)”.

(C) Section 860E(a)(3)(B) of such Code is amended by striking all that follows “for purposes of” and inserting “subsection (a)(2)(B)(ii)(I) and the second sentence of subsection (b)(2) of section 172.”.

(b) Modifications of Rules Relating to Carrybacks.—

(1) In general.—Section 172(b)(1) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

“(D) Special rule for losses arising in 2018, 2019, and 2020.—

“(i) In general.—In the case of any net operating loss arising in a taxable year beginning after December 31, 2017, and before January 1, 2021—

“(I) such loss shall be a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss, and

“(II) subparagraphs (B) and (C)(i) shall not apply.

“(ii) Special rules for reits.—For purposes of this subparagraph—

“(I) In general.—A net operating loss for a REIT year shall not be a net operating loss carryback to any taxable year preceding the taxable year of such loss.

“(II) Special rule.—In the case of any net operating loss for a taxable year which is not a REIT year, such loss shall not be carried to any preceding taxable year which is a REIT year.

“(III) REIT year.—For purposes of this subparagraph, the term ‘REIT year’ means any taxable year for which the provisions of part II of subchapter M (relating to real estate investment trusts) apply to the taxpayer.

“(iii) Special rule for life insurance companies.— In the case of a life insurance company, if a net operating loss is carried pursuant to clause (i)(I) to a life insurance company taxable year beginning before January 1, 2018, such net operating loss carryback shall be treated in the same manner as an operations loss carryback (within the meaning of section 810 as in effect before its repeal) of such company to such taxable year.

“(iv) Rule relating to carrybacks to years to which section 965 applies.—If a net operating loss of a taxpayer is carried pursuant to clause (i)(I) to any taxable year in which an amount is includible in gross income by reason of section 965(a), the taxpayer shall be treated as having made the election under section 965(n) with respect to each such taxable year.

“(v) Special rules for elections under paragraph (3).—

“(I) Special election to exclude section 965 years.— If the 5-year carryback period under clause (i)(I) with respect to any net operating loss of a taxpayer includes 1 or more taxable years in which an amount is includible in gross income by reason of section 965(a), the taxpayer may, in lieu of the election otherwise available under paragraph (3), elect under such paragraph to exclude all such taxable years from such carryback period.

“(II) Time of elections.—An election under paragraph (3) (including an election described in subclause (I)) with respect to a net operating loss arising in a taxable year beginning in 2018 or 2019 shall be made by the due date (including extensions of time) for filing the taxpayer’s return for the first taxable year ending after the date of the enactment of this subparagraph.”.

(2) Conforming amendment.—Section 172(b)(1)(A) of such Code, as amended by subsection (c)(2), is amended by striking “and (C)(i)” and inserting “, (C)(i), and (D)”.

(c) Technical Amendment Relating to Section 13302 of Public Law 115-97.—

(1) Section 13302(e) of Public Law 115-97 is amended to read as follows:

“(e) Effective Dates.—

“(1) Net operating loss limitation.—The amendments made by subsections (a) and (d)(2) shall apply to—

“(A) taxable years beginning after December 31, 2017, and

“(B) taxable years beginning on or before such date to which net operating losses arising in taxable years beginning after such date are carried.

“(2) Carryovers and carrybacks.—The amendments made by subsections (b), (c), and (d)(1) shall apply to net operating losses arising in taxable years beginning after December 31, 2017.”.

(2) Section 172(b)(1)(A) of the Internal Revenue Code of 1986 is amended to read as follows:

“(A) General rule.—A net operating loss for any taxable year—

“(i) shall be a net operating loss carryback to the extent provided in subparagraphs (B) and (C)(i), and

“(ii) except as provided in subparagraph (C)(ii), shall be a net operating loss carryover—

“(I) in the case of a net operating loss arising in a taxable year beginning before January 1, 2018, to each of the 20 taxable years following the taxable year of the loss, and

“(II) in the case of a net operating loss arising in a taxable year beginning after December 31, 2017, to each taxable year following the taxable year of the loss.”.

(d) Effective Dates.—

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- (1) Net operating loss limitation.—The amendments made by subsection (a) shall apply—
- (A) to taxable years beginning after December 31, 2017, and
 - (B) to taxable years beginning on or before December 31, 2017, to which net operating losses arising in taxable years beginning after December 31, 2017, are carried.
- (2) Carryovers and carrybacks.—The amendment made by subsection (b) shall apply to—
- (A) net operating losses arising in taxable years beginning after December 31, 2017, and
 - (B) taxable years beginning before, on, or after such date to which such net operating losses are carried.
- (3) Technical amendments.—The amendments made by subsection (c) shall take effect as if included in the provisions of Public Law 115-97 to which they relate.
- (4) Special rule.—In the case of a net operating loss arising in a taxable year beginning before January 1, 2018, and ending after December 31, 2017—
- (A) an application under section 6411(a) of the Internal Revenue Code of 1986 with respect to the carryback of such net operating loss shall not fail to be treated as timely filed if filed not later than the date which is 120 days after the date of the enactment of this Act, and
 - (B) an election to—
 - (i) forgo any carryback of such net operating loss,
 - (ii) reduce any period to which such net operating loss may be carried back, or
 - (iii) revoke any election made under section 172(b) to forgo any carryback of such net operating loss,shall not fail to be treated as timely made if made not later than the date which is 120 days after the date of the enactment of this Act.

SEC. 2304. MODIFICATION OF LIMITATION ON LOSSES FOR TAXPAYERS OTHER THAN CORPORATIONS.

(a) In General.—Section 461(l)(1) of the Internal Revenue Code of 1986 is amended to read as follows:

“(1) Limitation.—In the case of a taxpayer other than a corporation—

“(A) for any taxable year beginning after December 31, 2017, and before January 1, 2026, subsection (j) (relating to limitation on excess farm losses of certain taxpayers) shall not apply, and

“(B) for any taxable year beginning after December 31, 2020, and before January 1, 2026, any excess business loss of the taxpayer for the taxable year shall not be allowed.”.

(b) Technical Amendments Relating to Section 11012 of Public Law 115-97.—

(1) Section 461(l)(2) of the Internal Revenue Code of 1986 is amended by striking “a net operating loss carryover to the following taxable year under section 172” and inserting “a net operating loss for the taxable year for purposes of determining any net operating loss carryover under section 172(b) for subsequent taxable years”.

(2) Section 461(l)(3)(A) of such Code is amended—

(A) in clause (i), by inserting “and without regard to any deduction allowable under section 172 or 199A” after “under paragraph (1)”, and

(B) by adding at the end the following flush sentence:

“Such excess shall be determined without regard to any deductions, gross income, or gains attributable to any trade or business of performing services as an employee.”.

(3) Section 461(l)(3) of such Code is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

“(B) Treatment of capital gains and losses.—

“(i) Losses.—Deductions for losses from sales or exchanges of capital assets shall not be taken into account under subparagraph (A)(i).

“(ii) Gains.—The amount of gains from sales or exchanges of capital assets taken into account under subparagraph (A)(ii) shall not exceed the lesser of—

“(I) the capital gain net income determined by taking into account only gains and losses attributable to a trade or business, or

“(II) the capital gain net income.”.

(c) Effective Dates.—

(1) In general.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2017.

(2) Technical amendments.—The amendments made by subsection (b) shall take effect as if included in the provisions of Public Law 115-97 to which they relate.

SEC. 2305. MODIFICATION OF CREDIT FOR PRIOR YEAR MINIMUM TAX LIABILITY OF CORPORATIONS.

(a) In General.—Section 53(e) of the Internal Revenue Code of 1986 is amended—

(1) by striking “2018, 2019, 2020, or 2021” in paragraph (1) and inserting “2018 or 2019”, and

(2) by striking “2021” in paragraph (2) and inserting “2019”.

(b) Election to Take Entire Refundable Credit Amount in 2018.—

(1) In general.—Section 53(e) of such Code is amended by adding at the end the following new paragraph:

“(5) Special rule.—In the case of a corporation making an election under this paragraph—

“(A) paragraph (1) shall not apply, and

“(B) subsection (c) shall not apply to the first taxable year of such corporation beginning in 2018.”.

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(d) Special Rule.—

(1) In general.—For purposes of the Internal Revenue Code of 1986, a credit or refund for which an application described in paragraph (2)(A) is filed shall be treated as made under section 6411 of such Code.

(2) Tentative refund.—

(A) Application.—A taxpayer may file an application for a tentative refund of any amount for which a refund is due by reason of an election under section 53(e)(5) of the Internal Revenue Code of 1986. Such application shall be in such manner and form as the Secretary of the Treasury (or the Secretary's delegate) may prescribe and shall —

(i) be verified in the same manner as an application under section 6411(a) of such Code,

(ii) be filed prior to December 31, 2020, and

(iii) set forth—

(I) the amount of the refundable credit claimed under section 53(e) of such Code for such taxable year,

(II) the amount of the refundable credit claimed under such section for any previously filed return for such taxable year, and

(III) the amount of the refund claimed.

(B) Allowance of adjustments.—Within a period of 90 days from the date on which an application is filed under subparagraph (A), the Secretary of the Treasury (or the Secretary's delegate) shall—

(i) review the application,

- (ii) determine the amount of the overpayment, and
- (iii) apply, credit, or refund such overpayment,

in a manner similar to the manner provided in section 6411(b) of the Internal Revenue Code of 1986.

(C) Consolidated returns.—The provisions of section 6411(c) of the Internal Revenue Code of 1986 Code shall apply to an adjustment under this paragraph to the same extent and manner as the Secretary of the Treasury (or the Secretary's delegate) may provide.

SEC. 2306. MODIFICATIONS OF LIMITATION ON BUSINESS INTEREST.

(a) In General.—Section 163(j) of the Internal Revenue Code of 1986 is amended by redesignating paragraph (10) as paragraph (11) and by inserting after paragraph (9) the following new paragraph:

“(10) Special rule for taxable years beginning in 2019 and 2020.—

“(A) In general.—

“(i) In general.—Except as provided in clause (ii) or (iii), in the case of any taxable year beginning in 2019 or 2020, paragraph (1)(B) shall be applied by substituting ‘50 percent’ for ‘30 percent’.

“(ii) Special rule for partnerships.—In the case of a partnership—

“(I) clause (i) shall not apply to any taxable year beginning in 2019, but

“(II) unless a partner elects not to have this subclause apply, in the case of any excess business interest of the partnership for any taxable year beginning in 2019 which is allocated to the partner under paragraph (4)(B)(i)(II)

—

“(aa) 50 percent of such excess business interest shall be treated as business interest which, notwithstanding paragraph (4)(B)(ii), is paid or accrued by the partner in the partner's first taxable year beginning in 2020 and which is not subject to the limits of paragraph (1), and

“(bb) 50 percent of such excess business interest shall be subject to the limitations of paragraph (4)(B)(ii) in the same manner as any other excess business interest so allocated.

“(iii) Election out.—A taxpayer may elect, at such time and in such manner as the Secretary may prescribe, not to have clause (i) apply to any taxable year. Such an election, once made, may be revoked only with the consent of the Secretary. In the case of a partnership, any such election shall be made by the partnership and may be made only for taxable years beginning in 2020.

“(B) Election to use 2019 adjusted taxable income for taxable years beginning in 2020.—

“(i) In general.—Subject to clause (ii), in the case of any taxable year beginning in 2020, the taxpayer may elect to apply this subsection by substituting the adjusted taxable income of the taxpayer for the last taxable year beginning in 2019 for the adjusted taxable income for such taxable year. In the case of a partnership, any such election shall be made by the partnership.

“(ii) Special rule for short taxable years.—If an election is made under clause (i) for a taxable year which is a short taxable year, the adjusted taxable income for the taxpayer's last taxable year beginning in 2019 which is substituted under clause (i) shall be equal to the amount which bears the same ratio to such adjusted taxable income determined without regard to this clause as the number of months in the short taxable year bears to 12”.

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2018.

SEC. 2307. TECHNICAL AMENDMENTS REGARDING QUALIFIED IMPROVEMENT PROPERTY.

(a) In General.—Section 168 of the Internal Revenue Code of 1986 is amended—

(1) in subsection (e)—

(A) in paragraph (3)(E), by striking “and” at the end of clause (v), by striking the period at the end of clause (vi) and inserting “, and”, and by adding at the end the following new clause:

“(vii) any qualified improvement property.”, and

(B) in paragraph (6)(A), by inserting “made by the taxpayer” after “any improvement”, and

(2) in the table contained in subsection (g)(3)(B)—

(A) by striking the item relating to subparagraph (D)(v), and

(B) by inserting after the item relating to subparagraph (E)(vi) the following new item:

“(E)(vii) 20”.

(b) Effective Date.—The amendments made by this section shall take effect as if included in section 13204 of Public Law 115-97.

SEC. 2308. TEMPORARY EXCEPTION FROM EXCISE TAX FOR ALCOHOL USED TO PRODUCE HAND SANITIZER.

(a) In General.—Section 5214(a) of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (13), by striking the period at the end and inserting “; or”, and

(2) by adding at the end the following new paragraph:

“(14) with respect to distilled spirits removed after December 31, 2019, and before January 1, 2021, free of tax for use in or contained in hand sanitizer produced and distributed in a manner consistent with any guidance issued by the Food and Drug Administration that is related to the outbreak of virus SARS-CoV-2 or coronavirus disease 2019 (COVID-19).”.

(b) Effective Date.—The amendments made by this section shall apply to distilled spirits removed after December 31, 2019.

(c) Application of Other Laws.—Any distilled spirits or product described in paragraph (14) of section 5214(a) of the Internal Revenue Code of 1986 (as added by this section) shall not be subject to any requirements related to labeling or bulk sales under—

(1) section 105 or 106 of the Federal Alcohol Administration Act (27 U.S.C. 205, 206); or

(2) section 204 of the Alcoholic Beverage Labeling Act of 1988 (27 U.S.C. 215).

TITLE III—SUPPORTING AMERICA'S HEALTH CARE SYSTEM IN THE FIGHT AGAINST THE CORONAVIRUS

Subtitle A—Health Provisions

SEC. 3001. SHORT TITLE.

This subtitle may be cited as the “Coronavirus Aid, Relief, and Economic Security Act”.

PART II—ACCESS TO HEALTH CARE FOR COVID-19 PATIENTS

Subpart A—Coverage of Testing and Preventive Services

SEC. 3201. COVERAGE OF DIAGNOSTIC TESTING FOR COVID-19.

Paragraph (1) of section 6001(a) of division F of the Families First Coronavirus Response Act (Public Law 116-127) is amended to read as follows:

“(1) An in vitro diagnostic test defined in section 809.3 of title 21, Code of Federal Regulations (or successor regulations) for the detection of SARS-CoV-2 or the diagnosis of the virus that causes COVID-19, and the administration of such a test, that—

“(A) is approved, cleared, or authorized under section 510(k), 513, 515, or 564 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360(k), 360c, 360e, 360bbb-3);

“(B) the developer has requested, or intends to request, emergency use authorization under section 564 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360bbb-3), unless and until the emergency use authorization request under such section 564 has been denied or the developer of such test does not submit a request under such section within a reasonable timeframe;

“(C) is developed in and authorized by a State that has notified the Secretary of Health and Human Services of its intention to review tests intended to diagnose COVID-19; or

“(D) other test that the Secretary determines appropriate in guidance.”.

SEC. 3202. PRICING OF DIAGNOSTIC TESTING.

(a) Reimbursement Rates.—A group health plan or a health insurance issuer providing coverage of items and services described in section 6001(a) of division F of the Families First Coronavirus Response Act (Public Law 116-127) with respect to an enrollee shall reimburse the provider of the diagnostic testing as follows:

(1) If the health plan or issuer has a negotiated rate with such provider in effect before the public health emergency declared under section 319 of the Public Health Service Act (42 U.S.C. 247d), such negotiated rate shall apply throughout the period of such declaration.

(2) If the health plan or issuer does not have a negotiated rate with such provider, such plan or issuer shall reimburse the provider in an amount that equals the cash price for such service as listed by the provider on a public internet website, or such plan or issuer may negotiate a rate with such provider for less than such cash price.

(b) Requirement to Publicize Cash Price for Diagnostic Testing for COVID-19.—

(1) In general.—During the emergency period declared under section 319 of the Public Health Service Act (42 U.S.C. 247d), each provider of a diagnostic test for COVID-19 shall make public the cash price for such test on a public internet website of such provider.

(2) Civil monetary penalties.—The Secretary of Health and Human Services may impose a civil monetary penalty on any provider of a diagnostic test for COVID-19 that is not in compliance with paragraph (1) and has not completed a corrective action plan to comply with the requirements of such paragraph, in an amount not to exceed \$300 per day that the violation is ongoing.

SEC. 3203. RAPID COVERAGE OF PREVENTIVE SERVICES AND VACCINES FOR CORONAVIRUS.

(a) In General.—Notwithstanding 2713(b) of the Public Health Service Act (42 U.S.C. 300gg-13), the Secretary of Health and Human Services, the Secretary of Labor, and the Secretary of the Treasury shall require group health plans and health insurance issuers offering group or individual health insurance to cover (without cost-sharing) any qualifying coronavirus preventive service, pursuant to section 2713(a) of the Public Health Service Act (42 U.S.C. 300gg-13(a)) (including the regulations under sections 2590.715-2713 of title 29, Code of Federal Regulations, section 54.9815-2713 of title 26, Code of Federal Regulations, and section 147.130 of title 45, Code of Federal Regulations (or any successor regulations)). The requirement described in this subsection shall take effect with respect to a qualifying coronavirus preventive service on the specified date described in subsection (b)(2).

(b) Definitions.—For purposes of this section:

(1) Qualifying coronavirus preventive service.—The term “qualifying coronavirus preventive service” means an item, service, or immunization that is intended to prevent or mitigate coronavirus disease 2019 and that is—

(A) an evidence-based item or service that has in effect a rating of “A” or “B” in the current recommendations of the United States Preventive Services Task Force; or

(B) an immunization that has in effect a recommendation from the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention with respect to the individual involved.

(2) Specified date.—The term “specified date” means the date that is 15 business days after the date on which a recommendation is made relating to the qualifying coronavirus preventive service as described in such paragraph.

(3) Additional terms.—In this section, the terms “group health plan”, “health insurance issuer”, “group health insurance coverage”, and “individual health insurance coverage” have the meanings given such terms in section 2791 of the Public Health Service Act (42 U.S.C. 300gg-91), section 733 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1191b), and section 9832 of the Internal Revenue Code, as applicable.

Subtitle B—Education Provisions

SEC. 3501. SHORT TITLE.

This subtitle may be cited as the “COVID-19 Pandemic Education Relief Act of 2020”.

SEC. 3502. DEFINITIONS.

(a) Definitions.—In this subtitle:

(1) Coronavirus.—The term “coronavirus” has the meaning given the term in section 506 of the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (Public Law 116-123).

(2) Foreign institution.—The term “foreign institution” means an institution of higher education located outside the United States that is described in paragraphs (1)(C) and (2) of section 102(a) of the Higher Education Act of 1965 (20 U.S.C. 1002(a)).

(3) Institution of higher education.—The term “institution of higher education” has the meaning of the term under section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002).

(4) Qualifying emergency.—The term “qualifying emergency” means—

(A) a public health emergency related to the coronavirus declared by the Secretary of Health and Human Services pursuant to section 319 of the Public Health Service Act (42 U.S.C. 247d);

(B) an event related to the coronavirus for which the President declared a major disaster or an emergency under section 401 or 501, respectively, of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170 and 5191); or

(C) a national emergency related to the coronavirus declared by the President under section 201 of the National Emergencies Act (50 U.S.C. 1601 et seq.).

(5) Secretary.—The term “Secretary” means the Secretary of Education.

SEC. 3516. TECHNICAL AMENDMENTS.

(a) In General.—

(1) Section 6103(a)(3) of the Internal Revenue Code of 1986, as amended by the FUTURE Act (Public Law 116-91), is further amended by striking “(13), (16)” and inserting “(13)(A), (13)(B), (13)(C), (13)(D)(i), (16)”.

(2) Section 6103(p)(3)(A) of such Code, as so amended, is further amended by striking “(12),” and inserting “(12), (13)(A), (13)(B), (13)(C), (13)(D)(i)”.

(3) Section 6103(p)(4) of such Code, as so amended, is further amended by striking “(13) or (16)” each place it appears and inserting “(13), or (16)”.

(4) Section 6103(p)(4) of such Code, as so amended and as amended by paragraph (3), is further amended by striking “(13)” each place it appears and inserting “(13)(A), (13)(B), (13)(C), (13)(D)(i)”.

(5) Section 6103(l)(13)(C)(ii) of such Code, as added by the FUTURE Act (Public Law 116-91), is amended by striking “section 236A(e)(4)” and inserting “section 263A(e)(4)”.

(b) Effective Date.—The amendments made by this section shall apply as if included in the enactment of the FUTURE Act (Public Law 116-91).

Subtitle C—Labor Provisions

SEC. 3606. ADVANCE REFUNDING OF CREDITS.

(a) Payroll Credit for Required Paid Sick Leave.—Section 7001 of division G of the Families First Coronavirus Response Act is amended—

(1) in subsection (b)(4)(A)—

(A) by striking “(A) In general.—If the amount” and inserting “(A)(i) Credit is refundable.—If the amount”; and
(B) by adding at the end the following:

“(ii) Advancing credit.—In anticipation of the credit, including the refundable portion under clause (i), the credit may be advanced, according to forms and instructions provided by the Secretary, up to an amount calculated under subsection (a), subject to the limits under subsection (b), both calculated through the end of the most recent payroll period in the quarter.”;

(2) in subsection (f)—

(A) in paragraph (4), by striking “, and” and inserting a comma;
(B) in paragraph (5), by striking the period at the end and inserting “, and”; and
(C) by adding at the end the following:

“(6) regulations or other guidance to permit the advancement of the credit determined under subsection (a).”; and
(3) by inserting after subsection (h) the following new subsection:

“(i) Treatment of Deposits.—The Secretary of the Treasury (or the Secretary's delegate) shall waive any penalty under section 6656 of the Internal Revenue Code of 1986 for any failure to make a deposit of the tax imposed by section 3111(a) or 3221(a) of such Code if the Secretary determines that such failure was due to the anticipation of the credit allowed under this section.”.

(b) Payroll Credit for Required Paid Family Leave.—Section 7003 of division G of the Families First Coronavirus Response Act is amended—

(1) in subsection (b)(3)—

(A) by striking “If the amount” and inserting “(A) Credit is refundable.—If the amount”; and
(B) by adding at the end the following:

“(B) Advancing credit.—In anticipation of the credit, including the refundable portion under subparagraph (A), the credit may be advanced, according to forms and instructions provided by the Secretary, up to an amount calculated under subsection (a), subject to the limits under subsection (b), both calculated through the end of the most recent payroll period in the quarter.”;

(2) in subsection (f)—

(A) in paragraph (4), by striking “, and” and inserting a comma;
(B) in paragraph (5), by striking the period at the end and inserting “, and”; and

(C) by adding at the end the following:

“(6) regulations or other guidance to permit the advancement of the credit determined under subsection (a).”; and

(c) by inserting after subsection (h) the following new subsection:

“(i) Treatment of Deposits.—The Secretary of the Treasury (or the Secretary's delegate) shall waive any penalty under section 6656 of the Internal Revenue Code of 1986 for any failure to make a deposit of the tax imposed by section 3111(a) or 3221(a) of such Code if the Secretary determines that such failure was due to the anticipation of the credit allowed under this section.”.

SEC. 3608. SINGLE-EMPLOYER PLAN FUNDING RULES.

(a) Delay in Payment of Minimum Required Contributions.—In the case of any minimum required contribution (as determined under section 430(a) of the Internal Revenue Code of 1986 and section 303(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1083(a))) which (but for this section) would otherwise be due under section 430(j) of such Code (including quarterly contributions under paragraph (3) thereof) and section 303(j) of such Act (29 U.S.C. 1083(j)) (including quarterly contributions under paragraph (3) thereof) during calendar year 2020—

(1) the due date for such contributions shall be January 1, 2021, and

(2) the amount of each such minimum required contribution shall be increased by interest accruing for the period between the original due date (without regard to this section) for the contribution and the payment date, at the effective rate of interest for the plan for the plan year which includes such payment date.

(b) Benefit Restriction Status.—For purposes of section 436 of the Internal Revenue Code of 1986 and section 206(g) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1056(g)), a plan sponsor may elect to treat the plan's adjusted funding target attainment percentage for the last plan year ending before January 1, 2020, as the adjusted funding target attainment percentage for plan years which include calendar year 2020.

SEC. 3609. APPLICATION OF COOPERATIVE AND SMALL EMPLOYER CHARITY PENSION PLAN RULES TO CERTAIN CHARITABLE EMPLOYERS WHOSE PRIMARY EXEMPT PURPOSE IS PROVIDING SERVICES WITH RESPECT TO MOTHERS AND CHILDREN.

(a) Employee Retirement Income Security Act of 1974.—Section 210(f)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1060(f)(1)) is amended—

(1) by striking “or” at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C)(iv) and inserting “; or”; and

(3) by inserting after subparagraph (C) the following new subparagraph:

“(D) that, as of January 1, 2000, was maintained by an employer—

“(i) described in section 501(c)(3) of the Internal Revenue Code of 1986,

“(ii) who has been in existence since at least 1938,

“(iii) who conducts medical research directly or indirectly through grant making, and

“(iv) whose primary exempt purpose is to provide services with respect to mothers and children.”.

(b) Internal Revenue Code of 1986.—Section 414(y)(1) of the Internal Revenue Code of 1986 is amended—

(1) by striking “or” at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C)(iv) and inserting “; or”; and

(3) by inserting after subparagraph (C) the following new subparagraph:

“(D) that, as of January 1, 2000, was maintained by an employer—

- “(i) described in section 501(c)(3),
- “(ii) who has been in existence since at least 1938,
- “(iii) who conducts medical research directly or indirectly through grant making, and
- “(iv) whose primary exempt purpose is to provide services with respect to mothers and children.”.

(c) Effective Date.—The amendments made by this section shall apply to plan years beginning after December 31, 2018.

SEC. 3610. FEDERAL CONTRACTOR AUTHORITY.

Notwithstanding any other provision of law, and subject to the availability of appropriations, funds made available to an agency by this Act or any other Act may be used by such agency to modify the terms and conditions of a contract, or other agreement, without consideration, to reimburse at the minimum applicable contract billing rates not to exceed an average of 40 hours per week any paid leave, including sick leave, a contractor provides to keep its employees or subcontractors in a ready state, including to protect the life and safety of Government and contractor personnel, but in no event beyond September 30, 2020. Such authority shall apply only to a contractor whose employees or subcontractors cannot perform work on a site that has been approved by the Federal Government, including a federally-owned or leased facility or site, due to facility closures or other restrictions, and who cannot telework because their job duties cannot be performed remotely during the public health emergency declared on January 31, 2020 for COVID-19: Provided, That the maximum reimbursement authorized by this section shall be reduced by the amount of credit a contractor is allowed pursuant to division G of Public Law 116-127 and any applicable credits a contractor is allowed under this Act.

Subtitle D—Finance Committee

SEC. 3701. EXEMPTION FOR TELEHEALTH SERVICES.

(a) In General.—Paragraph (2) of section 223(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

“(E) Safe harbor for absence of deductible for telehealth.—In the case of plan years beginning on or before December 31, 2021, a plan shall not fail to be treated as a high deductible health plan by reason of failing to have a deductible for telehealth and other remote care services.”.

(b) Certain Coverage Disregarded.—Clause (ii) of section 223(c)(1)(B) of the Internal Revenue Code of 1986 is amended by striking “or long-term care” and inserting “long-term care, or (in the case of plan years beginning on or before December 31, 2021) telehealth and other remote care”.

(c) Effective Date.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 3702. INCLUSION OF CERTAIN OVER-THE-COUNTER MEDICAL PRODUCTS AS QUALIFIED MEDICAL EXPENSES.

(a) HSAs.—Section 223(d)(2) of the Internal Revenue Code of 1986 is amended—

(1) by striking the last sentence of subparagraph (A) and inserting the following: “For purposes of this subparagraph, amounts paid for menstrual care products shall be treated as paid for medical care.”; and

(2) by adding at the end the following new subparagraph:

“(D) Menstrual care product.—For purposes of this paragraph, the term ‘menstrual care product’ means a tampon, pad, liner, cup, sponge, or similar product used by individuals with respect to menstruation or other genital-tract secretions.”.

(b) Archer MSAs.—Section 220(d)(2)(A) of such Code is amended by striking the last sentence and inserting the following: “For purposes of this subparagraph, amounts paid for menstrual care products (as defined in section 223(d)(2)(D)) shall be treated as paid for medical care.”.

(c) Health Flexible Spending Arrangements and Health Reimbursement Arrangements.—Section 106 of such Code is amended by striking subsection (f) and inserting the following new subsection:

“(f) Reimbursements for Menstrual Care Products.—For purposes of this section and section 105, expenses incurred for menstrual care products (as defined in section 223(d)(2)(D)) shall be treated as incurred for medical care.”.

(d) Effective Dates.—

(1) Distributions from savings accounts.—The amendment made by subsections (a) and (b) shall apply to amounts paid after December 31, 2019.

(2) Reimbursements.—The amendment made by subsection (c) shall apply to expenses incurred after December 31, 2019.

TITLE IV—ECONOMIC STABILIZATION AND ASSISTANCE TO SEVERELY DISTRESSED SECTORS OF THE UNITED STATES ECONOMY

Subtitle A—Coronavirus Economic Stabilization Act of 2020

SEC. 4001. SHORT TITLE.

This subtitle may be cited as the “Coronavirus Economic Stabilization Act of 2020”.

SEC. 4002. DEFINITIONS.

In this subtitle:

(1) Air carrier.—The term “air carrier” has the meaning such term has under section 40102 of title 49, United States Code.

(2) Coronavirus.—The term “coronavirus” means SARS-CoV-2 or another coronavirus with pandemic potential.

(3) Covered loss.—The term “covered loss” includes losses incurred directly or indirectly as a result of coronavirus, as determined by the Secretary.

(4) Eligible business.—The term “eligible business” means—

(A) an air carrier; or

(B) a United States business that has not otherwise received adequate economic relief in the form of loans or loan guarantees provided under this Act.

(5) Employee.—Except where the context otherwise requires, the term “employee”—

(A) has the meaning given the term in section 2 of the National Labor Relations Act (29 U.S.C. 152); and

(B) includes any individual employed by an employer subject to the Railway Labor Act (45 U.S.C. 151 et seq.).

(6) Equity security; exchange.—The terms “equity security” and “exchange” have the meanings given the terms in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)).

(7) Municipality.—The term “municipality” includes—

(A) a political subdivision of a State, and

(B) an instrumentality of a municipality, a State, or a political subdivision of a State.

(8) National securities exchange.—The term “national securities exchange” means an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f).

(9) Secretary.—The term “Secretary” means the Secretary of the Treasury, or the designee of the Secretary of the Treasury.

(10) State.—The term “State” means—

- (A) any of the several States;
- (B) the District of Columbia;
- (C) any of the territories and possessions of the United States;
- (D) any bi-State or multi-State entity; and
- (E) any Indian Tribe.

SEC. 4003. EMERGENCY RELIEF AND TAXPAYER PROTECTIONS.

(a) In General.—Notwithstanding any other provision of law, to provide liquidity to eligible businesses, States, and municipalities related to losses incurred as a result of coronavirus, the Secretary is authorized to make loans, loan guarantees, and other investments in support of eligible businesses, States, and municipalities that do not, in the aggregate, exceed \$500,000,000,000 and provide the subsidy amounts necessary for such loans, loan guarantees, and other investments in accordance with the provisions of the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).

(b) Loans, Loan Guarantees, and Other Investments.—Loans, loan guarantees, and other investments made pursuant to subsection (a) shall be made available as follows:

(1) Not more than \$25,000,000,000 shall be available to make loans and loan guarantees for passenger air carriers, eligible businesses that are certified under part 145 of title 14, Code of Federal Regulations, and approved to perform inspection, repair, replace, or overhaul services, and ticket agents (as defined in section 40102 of title 49, United States Code).

(2) Not more than \$4,000,000,000 shall be available to make loans and loan guarantees for cargo air carriers.

(3) Not more than \$17,000,000,000 shall be available to make loans and loan guarantees for businesses critical to maintaining national security.

(4) Not more than the sum of \$454,000,000,000 and any amounts available under paragraphs (1), (2), and (3) that are not used as provided under those paragraphs shall be available to make loans and loan guarantees to, and other investments in, programs or facilities established by the Board of Governors of the Federal Reserve System for the purpose of providing liquidity to the financial system that supports lending to eligible businesses, States, or municipalities by—

- (A) purchasing obligations or other interests directly from issuers of such obligations or other interests;
- (B) purchasing obligations or other interests in secondary markets or otherwise; or
- (C) making loans, including loans or other advances secured by collateral.

(c) Terms and Conditions.—

(1) In general.—

(A) Forms; terms and conditions.—A loan, loan guarantee, or other investment by the Secretary shall be made under this section in such form and on such terms and conditions and contain such covenants, representations, warranties, and requirements (including requirements for audits) as the Secretary determines appropriate. Any loans made by the Secretary under this section shall be at a rate determined by the Secretary based on the risk and the current average yield on outstanding marketable obligations of the United States of comparable maturity.

(B) Procedures.—As soon as practicable, but in no case later than 10 days after the date of enactment of this Act, the Secretary shall publish procedures for application and minimum requirements, which may be supplemented by the Secretary in the Secretary's discretion, for making loans, loan guarantees, or other investments under paragraphs (1), (2) and (3) of subsection (b).

(2) Loans and loan guarantees.—The Secretary may enter into agreements to make loans or loan guarantees to 1 or more eligible businesses under paragraphs (1), (2) and (3) of subsection (b) if the Secretary determines that, in the Secretary's discretion—

(A) the applicant is an eligible business for which credit is not reasonably available at the time of the transaction;

(B) the intended obligation by the applicant is prudently incurred;

(C) the loan or loan guarantee is sufficiently secured or is made at a rate that—

(i) reflects the risk of the loan or loan guarantee; and

(ii) is to the extent practicable, not less than an interest rate based on market conditions for comparable obligations prevalent prior to the outbreak of the coronavirus disease 2019 (COVID-19);

(D) the duration of the loan or loan guarantee is as short as practicable and in any case not longer than 5 years;

(E) the agreement provides that, until the date 12 months after the date the loan or loan guarantee is no longer outstanding, neither the eligible business nor any affiliate of the eligible business may purchase an equity security that is listed on a national securities exchange of the eligible business or any parent company of the eligible business, except to the extent required under a contractual obligation in effect as of the date of enactment of this Act;

(F) the agreement provides that, until the date 12 months after the date the loan or loan guarantee is no longer outstanding, the eligible business shall not pay dividends or make other capital distributions with respect to the common stock of the eligible business;

(G) the agreement provides that, until September 30, 2020, the eligible business shall maintain its employment levels as of March 24, 2020, to the extent practicable, and in any case shall not reduce its employment levels by more than 10 percent from the levels on such date;

(H) the agreement includes a certification by the eligible business that it is created or organized in the United States or under the laws of the United States and has significant operations in and a majority of its employees based in the United States; and

(I) for purposes of a loan or loan guarantee under paragraphs (1), (2), and (3) of subsection (b), the eligible business must have incurred or is expected to incur covered losses such that the continued operations of the business are jeopardized, as determined by the Secretary.

(3) Federal reserve programs or facilities.—

(A) Terms and conditions.—

(i) Definition.—In this paragraph, the term “direct loan” means a loan under a bilateral loan agreement that is —

(I) entered into directly with an eligible business as borrower; and

(II) not part of a syndicated loan, a loan originated by a financial institution in the ordinary course of business, or a securities or capital markets transaction.

(ii) Restrictions.—The Secretary may make a loan, loan guarantee, or other investment under subsection (b)(4) as part of a program or facility that provides direct loans only if the applicable eligible businesses agree—

(I) until the date 12 months after the date on which the direct loan is no longer outstanding, not to repurchase an equity security that is listed on a national securities exchange of the eligible business or any parent company of the eligible business while the direct loan is outstanding, except to the extent required under a contractual obligation that is in effect as of the date of enactment of this Act;

(II) until the date 12 months after the date on which the direct loan is no longer outstanding, not to pay dividends or make other capital distributions with respect to the common stock of the eligible business; and

(III) to comply with the limitations on compensation set forth in section 4004.

(iii) Waiver.—The Secretary may waive the requirement under clause (ii) with respect to any program or facility upon a determination that such waiver is necessary to protect the interests of the Federal Government. If the

Secretary exercises a waiver under this clause, the Secretary shall make himself available to testify before the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives regarding the reasons for the waiver.

(B) Federal reserve act taxpayer protections and other requirements apply.—For the avoidance of doubt, any applicable requirements under section 13(3) of the Federal Reserve Act (12 U.S.C. 343(3)), including requirements relating to loan collateralization, taxpayer protection, and borrower solvency, shall apply with respect to any program or facility described in subsection (b)(4).

(C) United states businesses.—A program or facility in which the Secretary makes a loan, loan guarantee, or other investment under subsection (b)(4) shall only purchase obligations or other interests (other than securities that are based on an index or that are based on a diversified pool of securities) from, or make loans or other advances to, businesses that are created or organized in the United States or under the laws of the United States and that have significant operations in and a majority of its employees based in the United States.

(D) Assistance for mid-sized businesses.—

(i) In general.—Without limiting the terms and conditions of the programs and facilities that the Secretary may otherwise provide financial assistance to under subsection (b)(4), the Secretary shall endeavor to seek the implementation of a program or facility described in subsection (b)(4) that provides financing to banks and other lenders that make direct loans to eligible businesses including, to the extent practicable, nonprofit organizations, with between 500 and 10,000 employees, with such direct loans being subject to an annualized interest rate that is not higher than 2 percent per annum. For the first 6 months after any such direct loan is made, or for such longer period as the Secretary may determine in his discretion, no principal or interest shall be due and payable. Any eligible borrower applying for a direct loan under this program shall make a good-faith certification that—

(I) the uncertainty of economic conditions as of the date of the application makes necessary the loan request to support the ongoing operations of the recipient;

(II) the funds it receives will be used to retain at least 90 percent of the recipient's workforce, at full compensation and benefits, until September 30, 2020;

(III) the recipient intends to restore not less than 90 percent of the workforce of the recipient that existed as of February 1, 2020, and to restore all compensation and benefits to the workers of the recipient no later than 4 months after the termination date of the public health emergency declared by the Secretary of Health and Human Services on January 31, 2020, under section 319 of the Public Health Services Act (42 U.S.C. 247d) in response to COVID-19;

(IV) the recipient is an entity or business that is domiciled in the United States with significant operations and employees located in the United States;

(V) the recipient is not a debtor in a bankruptcy proceeding;

(VI) the recipient is created or organized in the United States or under the laws of the United States and has significant operations in and a majority of its employees based in the United States;

(VII) the recipient will not pay dividends with respect to the common stock of the eligible business, or repurchase an equity security that is listed on a national securities exchange of the recipient or any parent company of the recipient while the direct loan is outstanding, except to the extent required under a contractual obligation that is in effect as of the date of enactment of this Act;

(VIII) the recipient will not outsource or offshore jobs for the term of the loan and 2 years after completing repayment of the loan;

(IX) the recipient will not abrogate existing collective bargaining agreements for the term of the loan and 2 years after completing repayment of the loan; and

(X) that the recipient will remain neutral in any union organizing effort for the term of the loan.

(ii) Main street lending program.—Nothing in this subparagraph shall limit the discretion of the Board of Governors of the Federal Reserve System to establish a Main Street Lending Program or other similar program

or facility that supports lending to small and mid-sized businesses on such terms and conditions as the Board may set consistent with section 13(3) of the Federal Reserve Act (12 U.S.C. 343(3)), including any such program in which the Secretary makes a loan, loan guarantee, or other investment under subsection (b)(4).

(E) Government participants.—The Secretary shall endeavor to seek the implementation of a program or facility in accordance with subsection (b)(4) that provides liquidity to the financial system that supports lending to States and municipalities.

(d) Financial Protection of Government.—

(1) Warrant or senior debt instrument.—The Secretary may not issue a loan to, or a loan guarantee for, an eligible business under paragraph (1), (2), or (3) of subsection (b) unless—

(A)(i) the eligible business has issued securities that are traded on a national securities exchange; and

(ii) the Secretary receives a warrant or equity interest in the eligible business; or

(B) in the case of any eligible business other than an eligible business described in subparagraph (A), the Secretary receives, in the discretion of the Secretary—

(i) a warrant or equity interest in the eligible business; or

(ii) a senior debt instrument issued by the eligible business.

(2) Terms and conditions.—The terms and conditions of any warrant, equity interest, or senior debt instrument received under paragraph (1) shall be set by the Secretary and shall meet the following requirements:

(A) Purposes.—Such terms and conditions shall be designed to provide for a reasonable participation by the Secretary, for the benefit of taxpayers, in equity appreciation in the case of a warrant or other equity interest, or a reasonable interest rate premium, in the case of a debt instrument.

(B) Authority to sell, exercise, or surrender.—For the primary benefit of taxpayers, the Secretary may sell, exercise, or surrender a warrant or any senior debt instrument received under this subsection. The Secretary shall not exercise voting power with respect to any shares of common stock acquired under this section.

(C) Sufficiency.—If the Secretary determines that the eligible business cannot feasibly issue warrants or other equity interests as required by this subsection, the Secretary may accept a senior debt instrument in an amount and on such terms as the Secretary deems appropriate.

(3) Prohibition on loan forgiveness.—The principal amount of any obligation issued by an eligible business, State, or municipality under a program described in subsection (b) shall not be reduced through loan forgiveness.

(e) Deposit of Proceeds.—Amounts collected under subsection (b) shall be deposited in the following order of priority:

(1) Into the financing accounts established under section 505 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661d) to implement this subtitle, up to an amount equal to the sum of—

(A) the amount transferred from the appropriation made under section 4027 to the financing accounts; and

(B) the amount necessary to repay any amount lent from the Treasury to such financing accounts.

(2) After the deposits specified in paragraph (1) of this subsection have been made, into the Federal Old-Age and Survivors Insurance Trust Fund established under section 201(a) of the Social Security Act (42 U.S.C. 401).

(f) Administrative Provisions.—Notwithstanding any other provision of law, the Secretary may use not greater than \$100,000,000 of the funds made available under section 4027 to pay costs and administrative expenses associated with the loans, loan guarantees, and other investments authorized under this section. The Secretary is authorized to take such actions as the Secretary deems necessary to carry out the authorities in this subtitle, including, without limitation—

(1) using direct hiring authority to hire employees to administer this subtitle;

(2) entering into contracts, including contracts for services authorized by this subtitle;

(3) establishing vehicles that are authorized, subject to supervision by the Secretary, to purchase, hold, and sell assets and issue obligations; and

(4) issuing such regulations and other guidance as may be necessary or appropriate to carry out the authorities or purposes of this subtitle.

(g) Financial Agents.—The Secretary is authorized to designate financial institutions, including but not limited to, depositories, brokers, dealers, and other institutions, as financial agents of the United States. Such institutions shall—

(1) perform all reasonable duties the Secretary determines necessary to respond to the coronavirus; and

(2) be paid for such duties using appropriations available to the Secretary to reimburse financial institutions in their capacity as financial agents of the United States.

(h) Loans Made by or Guaranteed by the Department of the Treasury Treated as Indebtedness for Tax Purposes.—

(1) In general.—Any loan made by or guaranteed by the Department of the Treasury under this section shall be treated as indebtedness for purposes of the Internal Revenue Code of 1986, shall be treated as issued for its stated principal amount, and stated interest on such loans shall be treated as qualified stated interest.

(2) Regulations or guidance.—The Secretary of the Treasury (or the Secretary's delegate) shall prescribe such regulations or guidance as may be necessary or appropriate to carry out the purposes of this section, including guidance providing that the acquisition of warrants, stock options, common or preferred stock or other equity under this section does not result in an ownership change for purposes of section 382 of the Internal Revenue Code of 1986.

SEC. 4004. LIMITATION ON CERTAIN EMPLOYEE COMPENSATION.

(a) In General.—The Secretary may only enter into an agreement with an eligible business to make a loan or loan guarantee under paragraph (1), (2) or (3) of section 4003(b) if such agreement provides that, during the period beginning on the date on which the agreement is executed and ending on the date that is 1 year after the date on which the loan or loan guarantee is no longer outstanding—

(1) no officer or employee of the eligible business whose total compensation exceeded \$425,000 in calendar year 2019 (other than an employee whose compensation is determined through an existing collective bargaining agreement entered into prior to March 1, 2020)—

(A) will receive from the eligible business total compensation which exceeds, during any 12 consecutive months of such period, the total compensation received by the officer or employee from the eligible business in calendar year 2019; or

(B) will receive from the eligible business severance pay or other benefits upon termination of employment with the eligible business which exceeds twice the maximum total compensation received by the officer or employee from the eligible business in calendar year 2019; and

(2) no officer or employee of the eligible business whose total compensation exceeded \$3,000,000 in calendar year 2019 may receive during any 12 consecutive months of such period total compensation in excess of the sum of—

(A) \$3,000,000; and

(B) 50 percent of the excess over \$3,000,000 of the total compensation received by the officer or employee from the eligible business in calendar year 2019.

(b) Total Compensation Defined.—In this section, the term “total compensation” includes salary, bonuses, awards of stock, and other financial benefits provided by an eligible business to an officer or employee of the eligible business.

SEC. 4005. CONTINUATION OF CERTAIN AIR SERVICE.

The Secretary of Transportation is authorized to require, to the extent reasonable and practicable, an air carrier receiving loans and loan guarantees under section 4003 to maintain scheduled air transportation service as the Secretary of Transportation deems necessary to ensure services to any point served by that carrier before March 1, 2020. When considering whether to exercise the authority granted by this section, the Secretary of Transportation shall take into consideration the air transportation needs of small and remote communities and the need to maintain well-functioning health care and pharmaceutical supply chains, including for medical devices and supplies. The authority under this section, including any requirement issued by the Secretary under this section, shall terminate on March 1, 2022.

SEC. 4006. COORDINATION WITH SECRETARY OF TRANSPORTATION.

In implementing this subtitle with respect to air carriers, the Secretary shall coordinate with the Secretary of Transportation.

SEC. 4007. SUSPENSION OF CERTAIN AVIATION EXCISE TAXES.

(a) Transportation by Air.—In the case of any amount paid for transportation by air (including any amount treated as paid for transportation by air by reason of section 4261(e)(3) of the Internal Revenue Code of 1986) during the excise tax holiday period, no tax shall be imposed under section 4261 or 4271 of such Code. The preceding sentence shall not apply to amounts paid on or before the date of the enactment of this Act.

(b) Use of Kerosene in Commercial Aviation.—In the case of kerosene used in commercial aviation (as defined in section 4083 of the Internal Revenue Code of 1986) during the excise tax holiday period—

(1) no tax shall be imposed on such kerosene under—

SEC. 4018. SPECIAL INSPECTOR GENERAL FOR PANDEMIC RECOVERY.

(a) Office of Inspector General.—There is hereby established within the Department of the Treasury the Office of the Special Inspector General for Pandemic Recovery.

(b) Appointment of Inspector General; Removal.—

(1) In general.—The head of the Office of the Special Inspector General for Pandemic Recovery shall be the Special Inspector General for Pandemic Recovery (referred to in this section as the “Special Inspector General”), who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) Nomination.—The nomination of the Special Inspector General shall be made on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations. The nomination of an individual as Special Inspector General shall be made as soon as practicable after any loan, loan guarantee, or other investment is made under section 4003.

(3) Removal.—The Special Inspector General shall be removable from office in accordance with the provisions of section 3(b) of the Inspector General Act of 1978 (5 U.S.C. App.).

(4) Political activity.—For purposes of section 7324 of title 5, United States Code, the Special Inspector General shall not be considered an employee who determines policies to be pursued by the United States in the nationwide administration of Federal law.

(5) Basic pay.—The annual rate of basic pay of the Special Inspector General shall be the annual rate of basic pay for an Inspector General under section 3(e) of the Inspector General Act of 1978 (5 U.S.C. App.).

(c) Duties.—

(1) In general.—It shall be the duty of the Special Inspector General to, in accordance with section 4(b)(1) of the Inspector General Act of 1978 (5 U.S.C. App.), conduct, supervise, and coordinate audits and investigations of the making, purchase, management, and sale of loans, loan guarantees, and other investments made by the Secretary of the Treasury under any program established by the Secretary under this Act, and the management

by the Secretary of any program established under this Act, including by collecting and summarizing the following information:

(A) A description of the categories of the loans, loan guarantees, and other investments made by the Secretary.

(B) A listing of the eligible businesses receiving loan, loan guarantees, and other investments made under each category described in subparagraph (A).

(C) An explanation of the reasons the Secretary determined it to be appropriate to make each loan or loan guarantee under this Act, including a justification of the price paid for, and other financial terms associated with, the applicable transaction.

(D) A listing of, and detailed biographical information with respect to, each person hired to manage or service each loan, loan guarantee, or other investment made under section 4003.

(E) A current, as of the date on which the information is collected, estimate of the total amount of each loan, loan guarantee, and other investment made under this Act that is outstanding, the amount of interest and fees accrued and received with respect to each loan or loan guarantee, the total amount of matured loans, the type and amount of collateral, if any, and any losses or gains, if any, recorded or accrued for each loan, loan guarantee, or other investment.

(2) Maintenance of systems.—The Special Inspector General shall establish, maintain, and oversee such systems, procedures, and controls as the Special Inspector General considers appropriate to discharge the duties of the Special Inspector General under paragraph (1).

(3) Additional duties and responsibilities.—In addition to the duties described in paragraphs (1) and (2), the Special Inspector General shall also have the duties and responsibilities of inspectors general under the Inspector General Act of 1978 (5 U.S.C. App.).

(d) Powers and Authorities.—

(1) In general.—In carrying out the duties of the Special Inspector General under subsection (c), the Special Inspector General shall have the authorities provided in section 6 of the Inspector General Act of 1978 (5 U.S.C. App.).

(2) Treatment of office.—The Office of the Special Inspector General for Pandemic Recovery shall be considered to be an office described in section 6(f)(3) of the Inspector General Act of 1978 (5 U.S.C. App.) and shall be exempt from an initial determination by the Attorney General under section 6(f)(2) of that Act.

(e) Personnel, Facilities, and Other Resources.—

(1) Appointment of officers and employees.—The Special Inspector General may select, appoint, and employ such officers and employees as may be necessary for carrying out the duties of the Special Inspector General, subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of that title, relating to classification and General Schedule pay rates.

(2) Experts and consultants.—The Special Inspector General may obtain services as authorized under section 3109 of title 5, United States Code, at daily rates not to exceed the equivalent rate prescribed for grade GS-15 of the General Schedule by section 5332 of that title.

(3) Contracts.—The Special Inspector General may enter into contracts and other arrangements for audits, studies, analyses, and other services with public agencies and with private persons, and make such payments as may be necessary to carry out the duties of the Inspector General.

(4) Requests for information.—

(A) In general.—Upon request of the Special Inspector General for information or assistance from any department, agency, or other entity of the Federal Government, the head of that department, agency, or entity shall, to the extent practicable and not in contravention of any existing law, furnish that information or assistance to the Special Inspector General, or an authorized designee.

(B) Refusal to provide requested information.—

Whenever information or assistance requested by the Special Inspector General is, in the judgment of the Special Inspector General, unreasonably refused or not provided, the Special Inspector General shall report the circumstances to the appropriate committees of Congress without delay.

(f) Reports.—

(1) Quarterly reports.—

(A) In general.—Not later than 60 days after the date on which the Special Inspector General is confirmed, and once every calendar quarter thereafter, the Special Inspector General shall submit to the appropriate committees of Congress a report summarizing the activities of the Special Inspector General during the 3-month period ending on the date on which the Special Inspector General submits the report.

(B) Contents.—Each report submitted under subparagraph (A) shall include, for the period covered by the report, a detailed statement of all loans, loan guarantees, other transactions, obligations, expenditures, and revenues associated with any program established by the Secretary under section 4003, as well as the information collected under subsection (c)(1).

(2) Rule of construction.—Nothing in this subsection may be construed to authorize the public disclosure of information that is—

(A) specifically prohibited from disclosure by any other provision of law;

(B) specifically required by Executive order to be protected from disclosure in the interest of national defense or national security or in the conduct of foreign affairs; or

(C) a part of an ongoing criminal investigation.

(g) Funding.—

(1) In general.—Of the amounts made available to the Secretary under section 4027, \$25,000,000 shall be made available to the Special Inspector General to carry out this section.

(2) Availability.—The amounts made available to the Special Inspector General under paragraph (1) shall remain available until expended.

(h) Termination.—The Office of the Special Inspector General shall terminate on the date 5 years after the enactment of this Act.

(i) Council of the Inspectors General on Integrity and Efficiency.—The Special Inspector General shall be a member of the Council of the Inspectors General on Integrity and Efficiency established under section 11 of the Inspector General Act of 1978 (5 U.S.C. App.) until the date of termination of the Office of the Special Inspector General.

(j) Corrective Responses to Audit Problems.—The Secretary shall—

(1) take action to address deficiencies identified by a report or investigation of the Special Inspector General; or

(2) with respect to a deficiency identified under paragraph (1), certify to the Committee on Banking, Housing, and Urban Affairs of the Senate, the Committee on Finance of the Senate, the Committee on Financial Services of the House of Representatives, and the Committee on Ways and Means of the House of Representatives that no action is necessary or appropriate.

Subtitle B—Air Carrier Worker Support

SEC. 4111. DEFINITIONS.

Unless otherwise specified, the terms in section 40102(a) of title 49, United States Code, shall apply to this subtitle, except that—

(1) the term “airline catering employee” means an employee who performs airline catering services;

(2) the term “airline catering services” means preparation, assembly, or both, of food, beverages, provisions and related supplies for delivery, and the delivery of such items, directly to aircraft or to a location on or near airport property for subsequent delivery to aircraft;

(3) the term “contractor” means—

(A) a person that performs, under contract with a passenger air carrier conducting operations under part 121 of title 14, Code of Federal Regulations—

(i) catering functions; or

(ii) functions on the property of an airport that are directly related to the air transportation of persons, property, or mail, including but not limited to the loading and unloading of property on aircraft; assistance to passengers under part 382 of title 14, Code of Federal Regulations; security; airport ticketing and check-in functions; ground-handling of aircraft; or aircraft cleaning and sanitization functions and waste removal; or

(B) a subcontractor that performs such functions;

(4) the term “employee” means an individual, other than a corporate officer, who is employed by an air carrier or a contractor; and

(5) the term “Secretary” means the Secretary of the Treasury.

SEC. 4112. PANDEMIC RELIEF FOR AVIATION WORKERS.

(a) Financial Assistance for Employee Wages, Salaries, and Benefits.—Notwithstanding any other provision of law, to preserve aviation jobs and compensate air carrier industry workers, the Secretary shall provide financial assistance that shall exclusively be used for the continuation of payment of employee wages, salaries, and benefits to—

(1) passenger air carriers, in an aggregate amount up to \$25,000,000,000;

(2) cargo air carriers, in the aggregate amount up to \$4,000,000,000; and

(3) contractors, in an aggregate amount up to \$3,000,000,000.

(b) Administrative Expenses.—Notwithstanding any other provision of law, the Secretary, may use \$100,000,000 of the funds made available under section 4120(a) for costs and administrative expenses associated with providing financial assistance under this subtitle.

SEC. 4113. PROCEDURES FOR PROVIDING PAYROLL SUPPORT.

(a) Awardable Amounts.—The Secretary shall provide financial assistance under this subtitle—

(1) to an air carrier in an amount equal to the salaries and benefits reported by the air carrier to the Department of Transportation pursuant to part 241 of title 14, Code of Federal Regulations, for the period from April 1, 2019, through September 30, 2019; and

(2) to an air carrier that does not transmit reports under such part 241, in an amount that such air carrier certifies, using sworn financial statements or other appropriate data, as the amount of wages, salaries, benefits, and other compensation that such air carrier paid the employees of such air carrier during the period from April 1, 2019, through September 30, 2019; and

(3) to a contractor, in an amount that the contractor certifies, using sworn financial statements or other appropriate data, as the amount of wages, salaries, benefits, and other compensation that such contractor paid the employees of such contractor during the period from April 1, 2019, through September 30, 2019.

(b) Deadlines and Procedures.—

(1) In general.—

(A) Forms; terms and conditions.—Financial assistance provided to an air carrier or contractor under this subtitle shall be in such form, on such terms and conditions (including requirements for audits and the clawback of any

financial assistance provided upon failure by a passenger air carrier, cargo air carrier, or contractor to honor the assurances specified in section 4114), as the Secretary determines appropriate.

(B) Procedures.—The Secretary shall publish streamlined and expedited procedures not later than 5 days after the date of enactment of this Act for air carriers and contractors to submit requests for financial assistance under this subtitle.

(2) Deadline for immediate payroll assistance.—Not later than 10 days after the date of enactment of this Act, the Secretary shall make initial payments to air carriers and contractors that submit requests for financial assistance approved by the Secretary.

(3) Subsequent payments.—The Secretary shall determine an appropriate method for timely distribution of payments to air carriers and contractors with approved requests for financial assistance from any funds remaining available after providing initial financial assistance payments under paragraph (2).

(c) Pro Rata Authority.—The Secretary shall have the authority to reduce, on a pro rata basis, the amounts due to air carriers and contractors under the applicable paragraph of section 4112 in order to address any shortfall in assistance that would otherwise be provided under such section.

(d) Audits.—The Inspector General of the Department of the Treasury shall audit certifications made under subsection (a).

SEC. 4114. REQUIRED ASSURANCES.

(a) In General.—To be eligible for financial assistance under this subtitle, an air carrier or contractor shall enter into an agreement with the Secretary, or otherwise certify in such form and manner as the Secretary shall prescribe, that the air carrier or contractor shall—

- (1) refrain from conducting involuntary furloughs or reducing pay rates and benefits until September 30, 2020;
- (2) through September 30, 2021, ensure that neither the air carrier or contractor nor any affiliate of the air carrier or contractor may, in any transaction, purchase an equity security of the air carrier or contractor or the parent company of the air carrier or contractor that is listed on a national securities exchange;
- (3) through September 30, 2021, ensure that the air carrier or contractor shall not pay dividends, or make other capital distributions, with respect to the common stock (or equivalent interest) of the air carrier or contractor; and
- (4) meet the requirements of sections 4115 and 4116.

(b) Department of Transportation Authority to Condition Assistance on Continuation of Service.—

(1) In general.—The Secretary of Transportation is authorized to require, to the extent reasonable and practicable, an air carrier provided financial assistance under this subtitle to maintain scheduled air transportation service, as the Secretary of Transportation deems necessary, to ensure services to any point served by that carrier before March 1, 2020.

(2) Required considerations.—When considering whether to exercise the authority provided by this section, the Secretary of Transportation shall take into consideration the air transportation needs of small and remote communities and the need to maintain well-functioning health care supply chains, including medical devices and supplies, and pharmaceutical supply chains.

(3) Sunset.—The authority provided under this subsection shall terminate on March 1, 2022, and any requirements issued by the Secretary of Transportation under this subsection shall cease to apply after that date.

SEC. 4115. PROTECTION OF COLLECTIVE BARGAINING AGREEMENT.

(a) In General.—Neither the Secretary, nor any other actor, department, or agency of the Federal Government, shall condition the issuance of financial assistance under this subtitle on an air carrier's or contractor's implementation of measures to enter into negotiations with the certified bargaining representative of a craft or class of employees of the air carrier or contractor under the Railway Labor Act (45 U.S.C. 151 et seq.)

or the National Labor Relations Act (29 U.S.C. 151 et seq.), regarding pay or other terms and conditions of employment.

(b) Period of Effect.—With respect to an air carrier or contractor to which financial assistance is provided under this subtitle, this section shall be in effect with respect to the air carrier or contractor beginning on the date on which the air carrier or contractor is first issued such financial assistance and ending on September 30, 2020.

SEC. 4116. LIMITATION ON CERTAIN EMPLOYEE COMPENSATION.

(a) In General.—The Secretary may only provide financial assistance under this subtitle to an air carrier or contractor after such carrier or contractor enters into an agreement with the Secretary which provides that, during the 2-year period beginning March 24, 2020, and ending March 24, 2022, no officer or employee of the air carrier or contractor whose total compensation exceeded \$425,000 in calendar year 2019 (other than an employee whose compensation is determined through an existing collective bargaining agreement entered into prior to enactment of this Act)—

(1) will receive from the air carrier or contractor total compensation which exceeds, during any 12 consecutive months of such 2-year period, the total compensation received by the officer or employee from the air carrier or contractor in calendar year 2019;

(2) will receive from the air carrier or contractor severance pay or other benefits upon termination of employment with the air carrier or contractor which exceeds twice the maximum total compensation received by the officer or employee from the air carrier or contractor in calendar year 2019; and

(3) no officer or employee of the eligible business whose total compensation exceeded \$3,000,000 in calendar year 2019 may receive during any 12 consecutive months of such period total compensation in excess of the sum of—

(A) \$3,000,000; and

(B) 50 percent of the excess over \$3,000,000 of the total compensation received by the officer or employee from the eligible business in calendar year 2019.

(b) Total Compensation Defined.—In this section, the term “total compensation” includes salary, bonuses, awards of stock, and other financial benefits provided by an air carrier or contractor to an officer or employee of the air carrier or contractor.

SEC. 4117. TAX PAYER PROTECTION.

The Secretary may receive warrants, options, preferred stock, debt securities, notes, or other financial instruments issued by recipients of financial assistance under this subtitle which, in the sole determination of the Secretary, provide appropriate compensation to the Federal Government for the provision of the financial assistance.

SEC. 4118. REPORTS.

(a) Report.—Not later than November 1, 2020, the Secretary shall submit to the Committee on Transportation and Infrastructure and the Committee on Financial Services of the House of Representatives and the Committee on Commerce, Science, and Transportation and the Committee on Banking, Housing, and Urban Affairs of the Senate a report on the financial assistance provided to air carriers and contractors under this subtitle, including a description of any financial assistance provided.

(b) Update.—Not later than the last day of the 1-year period following the date of enactment of this Act, the Secretary shall update and submit to the Committee on Transportation and the Committee on Financial Services and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation and the Committee on Banking, Housing, and Urban Affairs of the Senate the report described in subsection (a).

SEC. 4119. COORDINATION.

In implementing this subtitle the Secretary shall coordinate with the Secretary of Transportation.
