



COUNTY OF DUTCHESS

MARCUS J. MOLINARO

COUNTY EXECUTIVE

MEMORANDUM

FROM: Marcus J. Molinaro, County Executive 

DATE: March 27, 2020

SUBJECT: **Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act Summary**

Summary

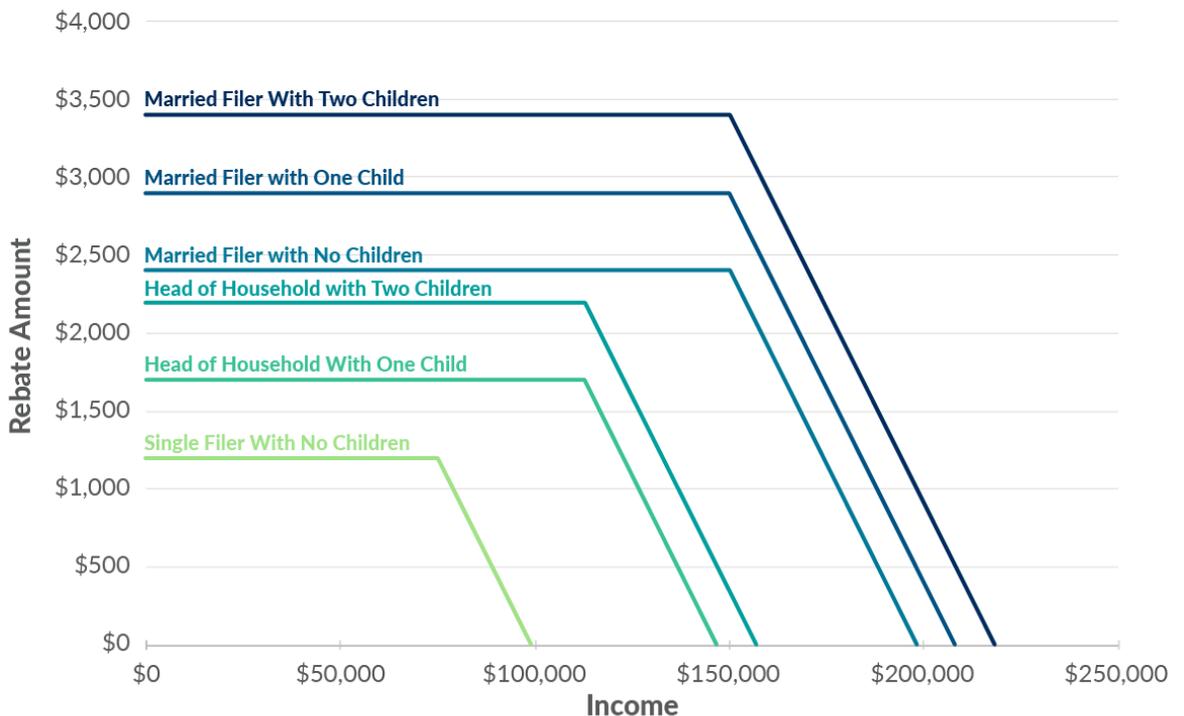
On the evening of March 25th, the United States Senate unanimously passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, a \$2 trillion plus package aimed at providing relief for individuals, governments, and businesses impacted by the COVID-19 crisis. After the Senate passed the CARES Act, House Majority Leader Steny Hoyer announced that the House has scheduled a voice vote on the bill for Friday, March 27th.

The highlights of this bill include:

- Makes various enhancements to unemployment including, but not limited to:
 - creates a temporary Pandemic Unemployment Assistance program;
 - provides an additional \$600 per week payment to each recipient of unemployment insurance or Pandemic Unemployment Assistance for up to four months;
 - provides funding to pay the cost of the first week of unemployment benefits through December 31, 2020 for states that choose to pay recipients as soon as they become unemployed instead of waiting one week before the individual is eligible to receive benefits; and
 - extends UI benefits to self-employed workers, independent contractors, and those with limited work history; and
 - provides an additional 13 weeks of unemployment benefits through December 31, 2020 to help those who remain unemployed after weeks of state unemployment benefits are no longer available.
- Individuals with an adjusted gross income of \$75,000 or less will receive a \$1,200 rebate (\$2,400 for a married couple filing jointly), with an additional \$500 for every child.
 - The rebates will be based on 2019 tax returns (2018 if the taxpayer has not filed in 2019).
 - This benefit will phase out at a rate of \$5 per \$100 of adjusted gross income over \$75,000 for individuals, \$112,500 for heads of households, and \$150,000 for joint taxpayers, with benefits completely phasing out for single individuals with no children at \$99,000 and \$198,000 for joint filers with no children. See chart from the Tax Foundation:

Proposed Relief Rebate in the CARES Act

Proposed Individual Economic Relief Rebate By Filing Status



Source: "Coronavirus Aid, Relief, and Economic Security Act"

TAX FOUNDATION

@TaxFoundation

- Provides relief to businesses impacted by COVID-19 by:
 - provides \$377 billion in loans and grants for small businesses;
 - refundable payroll tax credit for 50 percent of the wages paid by employers to employees during the COVID-19 crisis to qualified businesses;
 - allows employers and self-employed individuals to defer the payment of payroll taxes until January 1, 2021, with 50 percent owed on December 31, 2021 and the other half owed on December 31, 2022;
 - makes modifications to the deductibility of business interest by increasing the current 30 percent limitation to 50 percent for 2019 and 2020.
- Provides \$150 billion to States and local governments with a minimum of \$1.25 billion per state.
- Provides additional funding and other healthcare provisions including:
 - \$100 billion for hospitals and public health;
 - \$27 billion for preparedness funding;
 - \$20 billion for veterans health;
 - expands the use of telehealth.

In his March 25th briefing, Governor Cuomo claimed that the CARES Act would provide \$3.8 billion for New York State and \$1.3 billion for New York City. Senate Minority Leader Chuck Schumer disputed the Governor's analysis and stated that New York will get substantially more. As more details on the bill emerge, an updated memo will detail the exact funding breakdown for New York State.

Overview of Coronavirus Aid, Relief, and Economic Security Act

The following breakdown of the roughly \$2 trillion CARES Act is provided by the nonpartisan Committee for a Responsible Federal Budget, a Washington D.C. based think tank.

Provision	Dollar Cost
Expand & Extend Unemployment Benefits	\$260 billion
Boost all unemployment benefits by \$600 per week, cover additional workers who would not normally be eligible, provide an additional 13 weeks of benefits, & other changes	\$260 billion
Issue One-Time Checks	\$290 billion
Provide tax rebates of \$1,200/adult & \$500 /child, phased out above \$75,000 of income (\$150,000/couple)	\$290 billion
Provide Small Business Loans & Grants	\$377 billion
Support, issue ,& guarantee loans to small businesses; offer loan forgiveness for funds spent on payroll, rent, mortgage interest, & utilities	\$366 billion
Provide emergency grants for small businesses	\$10 billion
Issue grants related to small businesses & entrepreneurial development	\$1 billion
Support Loans & Loan Guarantees for Large Businesses & Governments	\$510 billion
Provide loans to passenger airlines	\$25 billion
Provide loans to cargo airlines	\$4 billion
Provide loans to firms vital to maintaining national security	\$17 billion
Provide loans to the U.S. Postal Service for operating expenses	\$10 billion
Support \$4.5 trillion of loans to businesses, states, & municipalities via new Federal Reserve facility	\$454 billion

Provision	Dollar Cost
Support State & Local Governments	\$150 billion
Provide aid to states (at least \$1.25 billion per state)	\$150 billion
Increase Health-Related Spending	>\$180 billion
Increase hospital & public health funding	\$100 billion
Increase preparedness funding	\$27 billion
Increase funding for community health centers	\$6 billion
Increase Medicare payments, expand telehealth & home services, & repeal Medicare sequester	~\$20 billion
Increase funding for the CDC, FDA, NIH, IHS, & other health-related agencies	~\$10 billion
Increase funding toward veterans & defense health	\$20 billion
Support the Safety Net	\$42 billion
Increase SNAP (food stamps) & child nutrition funding	\$25 billion
Increase child & family services funding	\$5 billion
Boost housing support	\$12 billion
Increase Disaster Assistance	\$45 billion
Expand FEMA disaster assistance fund	\$45 billion
Increase Education Spending	>\$32 billion
Establish Education Stabilization Fund for states, school districts, & higher education institutions	\$31 billion
Enact supplemental appropriations for Department of Education programs	<\$1 billion
Preserving student aid for those affected by COVID-19	?
Defer payments & interest on federally-held student loans for 6 months	?

Provision	Dollar Cost
Support Transportation Providers & Industries	\$72 billion
Provide grants to air carriers & airline contractors to avoid furloughs & pay cuts	\$33 billion
Issue infrastructure grants to transit providers, including state & local governments	\$25 billion
Provide grants to publicly-owned commercial airports	\$10 billion
Temporarily suspend airline ticket, cargo, & fuel taxes	\$4 billion
Reduce Individual Taxes	~\$10 billion
Loosen caps on deductibility of charitable giving as a share of income	\$1 billion
Provide temporary deduction for up to \$300 of charitable donations by nonitemizers	\$2 billion
Allow up to \$100,000 to be withdrawn from retirement accounts for reasons related to COVID-19	\$3 billion
Temporarily waive retirement minimum distribution rules	\$5 billion
Temporarily exclude employer-provided student loan assistance from income	?
Cut Business Taxes	~\$280 billion
Loosen caps imposed under the Tax Cuts & Jobs Act on interest deductibility & operating losses	\$210 billion
Offer payroll tax credits for businesses who retain workers at a loss	\$55 billion
Delay employer payroll tax payments from 2020 to 2021 & 2022	\$12 billion
Allow retailers & restaurants to write off the cost of improvements	?
Allow liquor distillers to make hand sanitizer tax-free	?
Other spending	>\$25 billion

Provision

Dollar Cost

TOTAL

~\$2.3 trillion

Source: Summaries provided by legislative offices, bill text, Penn Wharton Budget Model, CRFB estimates.

Update 3/26/20: This table was updated after publication to add \$33 billion in grants to airlines and contractors and \$10 billion in loans to the U.S. Postal Service