December 22, 2020

Dear Arts Action Fund Member,

Last night the U.S. House of Representatives and Senate passed a $2.3 trillion combined bill that includes the $900 billion Coronavirus economic relief bill and a $1.4 trillion Omnibus FY21 spending bill to keep the government running through September. The full text of this enormous bill is 5,593 pages! The bill now heads to the President's desk to sign into law.

This economic relief is long overdue and within days of life-saving programs expiring. We are thankful to the hard work of arts advocates like you across the country with special shout outs to our colleagues at state arts advocacy organizations, national service organizations and coalitions, ranging from the Cultural Advocacy Group, Be An #ArtsHero, #SaveOurStages, League of American Orchestras, Black Theatre United, Department of Professional Employees, AFL-CIO, and National Independent Venue Association to the Association of Chambers of Commerce Executives and The United States Conference of Mayors. This bill features many economic relief and annual appropriation opportunities for artists, gig workers, nonprofit, governmental, and commercial arts organizations.

**FY 2021 Appropriations Highlights Include:**

- $167.5 million for both the National Endowment for the Arts and National Endowment for the Humanities (a $5.25 million increase each from FY 2020 funding levels) and waiver language that allows FY 2021 grants to be expended for general operating support and allow uncompleted FY 2019 and 2020 previously awarded grants to also be expended for general operating support.
- $257 million for the Institute of Museum and Library Services (IMLS).
- $15 million additional to IMLS for a grant program to support American Latino Museums across the country.
- Authorization for the Smithsonian Institution to build and support two new museums on or near the National Mall in Washington, DC: The National Museum of the American Latino and a National Museum of Women’s History (formal name TBD).
- $475 million for the Corporation for Public Broadcasting.
- $30.5 million (an increase of $500,000) for the federal Arts In Education grant program.

**Extensions of Pandemic Unemployment Benefits:**

- **For salaried/hourly workers**, the Pandemic Emergency Unemployment Compensation (PEUC) program has been extended to April 5, 2021, once the applicant exhausts their state Unemployment Insurance (UI).
- **All recipients of unemployment**, including qualified self-employed gig works, will receive an extra $300/week in unemployment benefits for 11 weeks, beginning the week of December 27, 2020 to March 14, 2020. If a PUA recipient has not yet exhausted a full 50 weeks of unemployment benefits, they can continue receiving benefits until April 5th.
- **“Mixed earners”** with 1099/W2 income who were ineligible for PUA originally will now be eligible if they can show at least $5,000 in self-employment income in 2019. They will also receive a weekly bonus of $100 (a total of $400 extra weekly benefits) for the duration of their state UI/PEUC benefits.
- States are given the ability to waive collecting overpayments of unemployment in cases where the claimant is not at fault or if repayment would be contrary to equity and good conscience.
Pandemic Relief Package Highlights Include:

- Second round of **IRS Direct Stimulus Checks** at $600/person (phasing out after $75K AGI for single filers and $150K AGI for joint filers based on your 2019 tax return). Additional $600/child for eligible dependents. Treasury will process electronic deposits within 7 days of the President signing the bill.
- $284 billion for first and second draw of **Paycheck Protection Program** forgivable loans. No fee to apply.
  - **Eligibility**: Remains available for Schedule C gig and self-employed workers, Nonprofits & Corporations with a maximum of 300 employees.
    - Priority given to first time loan applicants, minority businesses, recipients with 10 or fewer employees, businesses located in low and moderate income neighborhoods
    - Must has proven revenue loss of 25% or more in one of the four quarters in 2020 compared to the same quarter in 2019. Seasonal companies can pick a customized 12-week period.
    - Maximum loan amount of $2 million.
    - Destination marketing firms, news media companies, and 501(c)(6) nonprofit organizations are now eligible to apply.
    - Cannot also receive one of the new Shuttered Live Venue Grants
  - **Deadline to apply**: March 31, 2021 (Treasury to release guidelines in early January.)
    - No need to certify forgiveness of first loan before applying for second loan/draw.
  - **Covered Period**: 8 to 24 weeks.
  - **Loan Amount**: Avg monthly payroll x 2.5 months. Restaurants & Lodging can multiply by 3.5 months.
  - **Covered Expenses**: Still must certify minimum of 60% for payroll & maximum of 40% for non-payroll.
    - **Covered Non-Payroll Cost Categories Expanded** for New and Old PPP Loans:
      - Operations costs for software and cloud servers for accounting, inventory, delivery, etc.
      - Property damage costs related to vandalism due to public disturbances in 2020
      - Supply costs of goods that were essential to the business and had pre-existing contracts
      - Worker protection costs, both operating and capital costs needed to comply with CDC, HHS, OSHA, and/or local and state government health ordinances.
      - Still includes the original non-payroll covered costs for rent, interest, and utilities.
    - **Covered Payroll Costs Expanded** for New and Old PPP Loans to include group life, disability, vision, dental & health insurance
    - **A new one-page Forgiveness Application** will be issued within 24 days of enactment to further simplify old and new PPP loans up to $150,000
    - **Tax Bonus applicable to Both New and Old PPP Loans**:
      - Forgiven PPP loans should **not** be included in the recipient's gross income
      - PPP funds used to pay for covered business expenses **can** still be fully tax deducted
  
- $20 billion to replenish new **Economic Industry Disaster Loans (EIDL) Advances** through the Small Business Administration
  - EIDL Advances would not be included in recipient’s taxable gross income
- Extends the **Employee Retention Tax Credit** through 7/1/2021
- $7 billion for **Broadband Internet** access across the country
- $82 billion for **Education** & expansion of **Pell Grants**
  - CARES Act financial aid grants would **not** be included in a student's taxable gross income
- $10 billion for **Childcare Assistance**
- Funds for speedy, equitable and free **Vaccine Distribution**
- **Paid Sick and Family Leave** Employer Tax Credit extended.
- $25 billion in **Rental Assistance** for individuals who lost their income due to the pandemic. Additionally, **Eviction Protection** would be extended to January 31, 2021.
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• $13 billion for **SNAP Food Assistance** programs

• $82 billion for **Education Financial Aid** & expansion of **Pell Grants**; $10 billion for childcare

• $28 billion for speedy, equitable and free **COVID-19 Vaccinations** and distribution.

• $20 billion for states to expand **COVID-19 Testing**.

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

• While **Economic Relief Block Grants for state, local and tribal governments are not included** in this bill, there are several programs that will provide assistance, including costs for health, transportation, schools, testing.