

COVID-19 Relief Bill

IREM's Government Affairs team has been in contact with Congress and the Administration, along with our coalition partners, to advocate for the property management industry.

On December 21, Congress passed a COVID-relief package, which also included an Omnibus spending bill for the Fiscal Year 2021 (FY21). Below is a summary of some of the major provisions in the bill affecting our industry:

Rental Assistance & Eviction Moratorium

- Provides \$25b through September 30, 2022 for rental assistance. The monies will be allocated to states through the Department of Treasury.
- States allocation will be based on population, no state will receive less than \$200 million.
- Allows landlords to apply for funds on behalf of tenants.
- Includes payments for rent in arrears as well as utilities and "and other expenses related to housing."
- States should prioritize families with incomes below 50% of area median income (but no set % of funds distributed is required).
- Rental assistance will not be included in recipient's income for federal tax purposes.
- Extends CDC moratorium through January 31, 2021.

Paycheck Protection Program

- Appropriates \$284.45 billion for PPP loans and \$20 billion for EIDL Grants.
- Certain eligible businesses may receive second-draws of PPP loans of up to \$2 million: 300 employees or fewer (or meets alternative SBA size standards) and saw at least a 25% drop in gross receipts in 2020 to a comparable quarter in 2019.
 - The maximum loan amount a business can get (for both first- and second-draw PPP loans) is \$10 million within 90 days.
- PPP borrowers who receive \$150,000 or less in PPP loan money may submit a one-page forgiveness form online certifying their compliance with the program requirements.
- Extends the deadline for PPP "covered periods" (the 8- or 24-week period from which a borrower has to use their PPP funds) through September 30, 2021.
- Expands allowable expenditures of PPP funds to cover purchasing PPE for employees.
- 501(c)(6) organizations can access PPP funds if they have 300 employees or fewer, do not receive more than 15% of their receipts from lobbying activities and lobbying activities do not comprise more than 15% of their activities, and the cost of the lobbying activities of the organization did not exceed \$1,000,000 during the most recent tax year. PPP funds cannot be used for lobbying activities of any kind.
- Repeals the requirement that borrowers who receive both an EIDL advance grant and a PPP loan deduct the forgiven amount of the EIDL grant from the forgivable amount of their PPP loan.

PPP Tax Forgiveness

- Allows for deductibility of business expenses paid for with forgiven PPP loans.

Unemployment Assistance

- Extends the maximum number of weeks individuals may receive unemployment benefits, from 39 weeks to 50 weeks.
- Extends all unemployment assistance, including the Pandemic Unemployment Assistance (PUA) program and the Pandemic Emergency Unemployment Compensation from December 26, 2020- March 14, 2021.
- Limits payment of retroactive PUA benefits to weeks of unemployment after December 1, 2020, and PUA requests end on March 14, 2021.
- Eligible individuals may receive PUA benefits until April 5, 2021 if the individual has not reached his or her maximum number of weeks of unemployment.
- Extends Federal Pandemic Unemployment Compensation (FPUC) at \$300 per week for 10 weeks. This provides supplemental unemployment benefits for individuals receiving PUA or regular unemployment compensation for weeks after December 26, 2020 until March 14, 2021.
- Extends Pandemic Emergency Unemployment Compensation (PEUC) for a maximum of 24 weeks for eligible individuals.
- Phases out the Pandemic Unemployment Assistance (PUA) program and ends the program on April 5, 2021.
- Extends interest-free loans to states to keep their unemployment insurance trust funds running.
- Reimburses states at 50 percent for the first week of compensable regular unemployment benefits for states with no waiting period.
- Provides individuals seeking unemployment benefits with the right to appeal any state determination or redetermination regarding rights to PUA.
- Provides a repayment waiver for individuals who received Pandemic Unemployment Assistance (PUA), but who were not entitled to receive PUA, if the PUA payment was the fault of the individual and repayment would be “contrary to equity or good conscience.” State labor agencies must make all individual determinations regarding one’s repayment or waiver status.
- Requires individuals to continue to re-certify weekly with the state that the individual’s loss of income is due to a Covid-related reason or issue and the individual is unemployed for a such week.
- Adds additional program measures requiring individuals seeking unemployment to provide documentation of earnings and employment to state agencies as a mechanism for states to verify the identity of individuals seeking unemployment benefits.
- Imposes “return to work” reporting requirements for states to provide a way for employers to report when someone turns down a job and to notify claimants of the requirement to accept suitable work, unless there is a good cause for refusal.

Individual Stimulus Payments

- Provides for one-time direct payments of \$600 for individuals making up to \$75,000 and \$1,200 for couples making up to \$150,000, as well as an extra \$600 per eligible child dependent.

Tax Extender Provisions

- The exclusion from income for mortgage debt forgiveness is extended for five years (through 2025), but the maximum amount is reduced from \$2 million to \$750,000.

- The energy-efficient commercial buildings deduction is extended permanently, its efficiency standards are updated, and the deduction rates are indexed for inflation.
- The energy investment tax credit for solar and residential energy-efficient property tax credit is extended for two years (through 2023).
- The mortgage insurance premium deduction is extended for one year (through 2021).
- The energy efficient homes credit is extended for one year (through 2021).
- The nonbusiness energy tax credit (for qualified energy efficiency improvements) is extended for one year (through 2021).