

Corona Virus Emergency Legislation—What REALTORS need to know

Congress is speeding toward passage of emergency corona virus legislation. The bill passed by a wide margin early Saturday in the House and is headed to the Senate next week, where it is expected to pass easily.

Last week, NAR's advocacy team urged Congressional leaders to include support for self-employed professionals and other small business owners in this bill. We are pleased robust measures targeting these groups were included.

We expect few if any changes to the bill in the Senate, so here is where the measure stands now:

Family Medical Leave Expansion...

- Allows up to 12 weeks of certain virus-related family medical leave through the end of 2020
- Covers employees at businesses with between 50-500 employees
- Provides a refundable tax credit for eligible self-employed individuals equal to their qualified family leave equivalent
- Provides employers with a refundable tax credit equal to certain family leave wages paid to employees

Paid Sick Leave Expansion...

- Allows two weeks of certain virus-related paid sick leave through the end of 2020.
- Covers employees at businesses with fewer than 500 employees.
- Provides a refundable tax credit for eligible self-employed individuals equal to their qualified sick leave equivalent
- Provides employers with a refundable tax credit equal to certain paid sick leave wages paid to employees

Medicare, Medicaid, Health Insurance and Unemployment Changes...

- Requires insurers, Medicare, Medicaid, and other federal health programs to fully cover testing and related services for COVID-19, without cost-sharing
- Increases funding to Medicaid to help cover uninsured populations
- Provides additional funds for certain programs aiding elderly Americans
- Increases funding for emergency transfers to state unemployment programs and increased flexibility for states to modify unemployment policies based on effects of COVID-19, such as waived work search requirements.

About the Tax Credits

Refundable tax credits are considered especially generous since any amount above taxes due is paid in the form of a refund. The payroll tax credit provided to employers will provide cash to them relatively quickly as it is creditable against their portion of an employee's Social Security tax liability, which is generally due monthly or semi-weekly. And since most self-employed persons are required to pay quarterly estimated tax payments, they will not have to wait until the end of the tax year to see the cash.

A Final Note

Many of the tax credits and benefits mentioned above have limits and/or qualifications, so we encourage you to explore NAR's comprehensive briefing document for more details.

This bill mainly addresses employment issues--NAR's advocacy team expects legislation targeting the overall economy to come later.

Small business owners and the self-employed are crucial to the growth and stability of the national economy and also face disproportionate burdens if they are forced to shut down, temporarily lose employees, or see their customer base drop.

They deserve equal access to emergency funding and programs, and we will continue to engage with Congress as this public health emergency unfolds.