

NAR's Federal Advocacy team worked closely with Congress and the Administration to ensure the interests of REALTORS®, their families, consumers, and the entire real estate industry were protected in any federal action in response to COVID-19.

The \$1.9 trillion coronavirus relief package known as the “American Rescue Plan of 2021” (ARP) was passed by Congress and signed in to law by President Biden on March 11, 2021.

Additional funding in this legislation provided relief to those behind on mortgages, rent, and utility bills, including:¹

- \$21.55 billion for emergency rental assistance through September 30, 2027
- \$5 billion in emergency housing vouchers through September 30, 2030
- \$100 million for tribal housing improvements
- \$100 million for rural housing through September 30, 2022

Included in the package are several provisions that impact the real estate industry:

Business and Unemployment Provisions

Unemployment Assistance

- Extended Pandemic Unemployment Assistance (PUA) through September 6, 2021 to individuals not otherwise eligible for unemployment benefits, such as the self-employed, who were unable to work as a result of COVID-19. The number of weeks PUA benefits were available increased from 50 to 74 weeks.
- Federal Pandemic Unemployment Compensation or Mixed Earner Unemployment Compensation program (FPUC), previously the Federal Pandemic Unemployment Compensation program, provided an additional \$300 weekly benefit from March 14 through September 6, 2021, which augmented regular weekly unemployment and PUA benefits. Mixed earners were eligible for the program.
- Excluded up to \$10,200 in unemployment compensation from taxation for those with AGI of \$150,000 or less, beginning in tax year 2020.
- Extended Pandemic Emergency Unemployment Compensation (PEUC) through September 6, 2021, and authorized additional unemployment benefits to those who exhausted their regular unemployment benefits. The number of weeks PEUC benefits were available increased from 24 to 48 weeks.

Paycheck Protection Program (PPP)/SBA Loans

- Appropriated a \$7.25 billion for PPP.
- Targeted Economic Injury Disaster Loans (EIDL) advances:
 - o Additional \$15 billion.
 - \$10 billion appropriated for payments to businesses that had not already received the full EIDL advance grant they were eligible for;

¹ U.S. Congress. "H.R. 1319: American Rescue Plan Act of 2021." <https://www.congress.gov/bill/117th-congress/house-bill/1319/text>

- \$5 billion was appropriated for grants to small businesses with 10 or fewer employees that had suffered an economic loss of greater than 50 percent (up to \$5,000 per business).
 - o Exempted EIDL grants from tax.
- Provided support for restaurants including: \$25 billion for the Restaurant Revitalization Fund, to supply grants of up to \$10 million/restaurant (maximum \$5 million per physical location), based on pandemic-related losses.
 - o Could be used for:
 - Payroll costs;
 - Mortgage or rent payments;
 - Utilities;
 - Maintenance;
 - Supplies;
 - Food/beverage expenses;
 - Covered Supplier costs;
 - Operational Expenses; and,
 - Paid Sick Leave.
 - Additional \$1.25 billion for SBA Shuttered Venue Operators Grant Program.

Emergency Rental Assistance

- Appropriated \$21.55 billion.
 - o \$2.5 billion was reserved for payments to high-need grantees - very low-income families spending more than 50 percent of income on rent or living in sub-standard housing.
- \$152 million per state guaranteed, with further allocations based on population.
 - o Treasury had 60 days from enactment to pay 50 percent of allocation to grantees.
- Funds can be used to provide financial assistance to eligible households for up to 18 months for:
 - o Rent;
 - o Rental arrears;
 - o Utilities/home energy costs and arrears; and,
 - o "Other expenses" related to housing.
- TOTAL assistance a household can get between this and the Consolidated Appropriations Act (the December 2020 COVID relief bill) is for 18 months of expenses.
- States can put up to 10 percent of the funds they receive toward housing stability services.
- States can put up to 15 percent of the funds they receive toward administrative costs for providing financial assistance, housing stability services, rental housing and eviction prevention activities, along with data collection and reporting requirements.
- Assistance to households under the ERA will not be considered income and shall not be considered as a resource for purposes of determining the eligibility of the household for benefits/assistance.

- Excess ERA funds may be subject to reallocation by the Treasury Department, based on the percentage disbursed to renters/housing providers. The Treasury will set guidance and benchmarks for reallocating the ERA funds appropriated in the ARP in spring 2022.

Housing Provisions

Homeowners Assistance

- Appropriated \$9.961 billion for the Homeowners Assistance Fund to states, territories and tribes to help homeowners at 100 percent of national AMI to pay mortgage, taxes, insurance, HOA/condo fees, and reimburse state and local governments that provided the same support in order to prevent homeowner displacement.

Emergency Housing Vouchers (Sec. 8)

- Appropriated \$5 billion for incremental emergency vouchers, renewals of vouchers, and fees for administering voucher programs through September 30, 2027.
- Qualifying individuals:
 - o Homeless;
 - o At risk of homelessness;
 - o Fleeing/attempting to flee domestic violence/dating violence/sexual assault/stalking/human trafficking; or
 - o Recently homeless and for whom the voucher will prevent homelessness/housing instability.
- Public housing agencies will be notified of the number of emergency vouchers they are allocated within 60 days of enactment.

Tax Provisions

Recovery Rebates to Individuals

- Provides further recovery rebates in the form of refundable tax credits paid in advance, similar to the Economic Impact Payments in the CARES Act and Consolidated Appropriations Act. The credit for single filers is \$1,400 and \$2,800 for joint filers. An extra \$1,400 will be paid for each dependent.
- Phases out between \$75,000 and \$80,000 of adjusted gross income (AGI) and between \$112,500 and \$120,000 of AGI for heads of household and between \$150,000 and \$160,000 for joint filers. The credit is reduced to zero at AGIs of \$80,000, \$120,000, and \$160,000 respectively.

Child Tax Credit Enhancement

- Makes the child tax credit fully refundable for 2021. It can be received even to the extent that it exceeds the taxpayer's tax liability for the year.
- Increases the credit amount to \$3,000 per child (\$3,600 for a child under age 6), from the current-law \$2,000 amount.

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- 17-year-old children would qualify, where the current law provides the credit only for children under age 17.
- For 2021, the increased amount of the child tax credit is reduced by \$50 for every \$1,000 in AGI in excess of \$150,000 for joint filers (\$112,500 for heads of household and \$75,000 for single filers). Once the extra credit is reduced, the remaining \$2,000 credit then phases out at the levels provided in the current law (AGI of \$400,000 for joint filers and \$200,000 for other filers).
- Directs the Treasury Department to issue advance payments of the child tax credit, based on 2019 or 2020 tax return information. These payments are intended to be delivered on a monthly basis, but if Treasury determines this is infeasible, they will be issued as frequently as is feasible. These began on July 1, 2021, with the remaining half of the payments claimed on the 2021 tax return.

Expanded Earned Income Tax Credit

- Expanded the Earned Income Tax Credit (EITC) for those with no qualifying children for 2021 by reducing the minimum age to claim the credit from 25 to 19 and eliminating the upper age requirement.
- Doubles the EITC amount from 7.65 to 15.3 percent, increasing the income at which the maximum credit amount is reached to \$9,820, and increasing the income at which the phaseout begins to \$11,610 for non-joint filers. This results in the maximum EITC for those with no qualifying children in 2021 from \$543 to \$1,502.
- Includes various changes designed to make the EITC easier to claim in various situations.

Enhanced Child and Dependent Care Tax Credit

- The Child and Dependent Care Credit (CDCTC) was enhanced for 2021 by making the credit fully refundable (available even to the extent the credit exceeds the taxpayer's tax liability) and the maximum credit rate is increased from 35 to 50 percent.
- Also, the threshold where the CDCTC begins to phase out begins at \$125,000 instead of the previous-law level of \$15,000.
- Increased the amount of expenses that are eligible for the credit to \$8,000 for one qualifying individual and \$16,000 for two or more qualifying individuals (making the maximum credits \$4,000 and \$8,000).
- Increased the exclusion for employer-provided dependent care assistance from the current-law \$5,000 to \$10,500 for 2021.

Extension of Tax Credits for Paid Sick and Family Leave

- Extended the credits for paid sick time and family paid leave that were enacted in the Families First Coronavirus Response Act from March 31, 2021, through September 30, 2027.
- Increases the amount of wage for which an employer may claim the paid family leave credit in a year from \$10,000 to \$12,000 per employee and increased the number of days for which self-employed individuals can claim the credit from 50 to 60.



- Expands sick time and paid family leave to include leave taken to obtain a COVID-19 vaccine or to recover from an injury, disability, illness, or condition related to a COVID-19 immunization.
- Various other provisions related to these credits are also enhanced under the Act.

Extension and Expansion of Employee Retention Tax Credit

- Extended through December 31, 2021, the employee retention tax credit that was enacted by the CARES Act and expanded and extended in the Consolidated Appropriations Act. The credit is also modified, effective after June 30, 2021, to be a refundable payroll tax credit against the Hospital Insurance Tax.
- Allows the hardest-hit businesses to count all wages paid as qualifying wages for the credit, not just those wages paid to employees that are not providing services and also allows certain start-up businesses to be eligible for the credit. Qualified wages do not include wages taken into account as payroll costs under certain Small Business Administration programs.

Expansion of Premium Tax Credits

- Modifies the affordability percentages used for 36(B) premium tax credits for 2021 and 2022 to increase credits for individuals eligible for assistance under current law and provides 36(B) credits for taxpayers with income below 400 percent of the federal poverty line.

Partial Exclusion of Unemployment Compensation from Taxable Income

- As of 2020 tax year, excludes up to \$10,200 in unemployment compensation from taxation for those with AGI of \$150,000 or less.

Exclusion of Student Loan Relief from Taxable Income

- Provides that all COVID-19 student loan tax relief is not included in taxable income.

State/Local Assistance

Coronavirus State Fiscal Recovery Fund

Provides \$219.8 billion to States, Territories and Tribal entities for fiscal year 2021 and will remain available until December 31, 2024.

- \$50 million for Secretary administration of funds for States, Territories and Tribal entities.
- \$4.5 billion for payments to Territories. Half dispersed equally and the other half allocated as an additional amount in proportion to the relative population a territory covers compared to the overall population of all territories.
- \$20 billion toward payments to Tribal governments. \$1 billion will be allocated equally across Tribal governments and \$19 billion will be allocated by the Secretary in an amount determined by the Secretary of the Treasury.

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- \$195.3 billion for payments to the 50 states and the District of Columbia. \$25.5 billion will be allocated equally among the 50 states and the District of Columbia.
- Makes clear that funds can be used for local economic recovery purposes, including assistance to households, small businesses and nonprofits, assistance to hard-hit industries like tourism, travel, and hospitality, and water, sewer and broadband infrastructure investment. No State may use funds for deposit into any pension fund and it also prohibits states and territories from using funds to cut taxes.

Coronavirus Local Fiscal Recovery Fund

Provides \$120.2 billion to metropolitan cities, non-entitlement units of local government, and counties for fiscal year 2021 and will remain available until December 31, 2024.

- \$42.07 billion for metropolitan cities
- \$18.03 billion to States for distribution by the State to non-entitlement units of local government in the State.
- \$60.1 billion to counties within the 50 States, the District of Columbia (which counts as a single county), the Commonwealth of Puerto Rico, Guam, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, and American Samoa.
- Divides the local allocation of funds into two equal tranches of payments spaced 12 months apart. Makes clear that funds can be used for local economic recovery purposes, including assistance to households, small businesses and nonprofits, assistance to hard-hit industries like tourism, travel, and hospitality, and water, sewer and broadband infrastructure investment. No State may use funds for deposit into any pension fund.
- Metropolitan Cities, counties and non-entitlement units of local government shall provide the Secretary with periodic reports providing a detailed accounting of the uses of funds.

Coronavirus Capital Projects Fund

Added a new \$10 billion Critical Infrastructure Projects program to help States, territories, and Tribal governments carry out critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to COVID-19.

- Payments will be \$100 million to each State; \$100 million to Puerto Rico; \$100 million to the District of Columbia; \$100 million in equal shares to the Virgin Islands, Guam, American Samoa, Northern Mariana Islands, Marshall Islands, Federated States of Micronesia and Republic of Palau; \$100 million to Tribal governments and Hawaii (in addition to the previous allocation as a state) with half allocated to each. Remaining amounts will be made by the Secretary to States based on population, rural area distribution and household income and made within 60 days of enactment.

