



ANALYSIS FOR THE AMERICAN RESCUE PLAN:

Employers

The American Rescue Plan (ARP) Act of 2021 includes **\$1.9 trillion in total funding**. At least **\$62.4 billion in funding** is included to help private-sector employers stay in business, retain employees, provide sick leave and family medical care leave and respond more generally to the impact of the COVID-19 pandemic (see Table 1 for full breakdown of funding).

Paycheck Protection Program (PPP)

- The PPP was created by the [CARES Act in 2020](#). It is a loan program that incentivizes businesses to keep workers on the payroll rather than lay them off during the pandemic. For more information, or to apply for a loan, [CLICK HERE](#).
- The ARP [expands PPP eligibility to include more categories of nonprofits, such as 501\(c\)\(5\) labor and agricultural organizations, as well as local affiliates of national or regional nonprofit organizations](#). Nonprofit organizations are an important part of the economy and are on the frontlines of providing social services during this crisis.
 - The bill **provides \$7.25 billion in new funding for the PPP**.
 - The bill also **expands PPP eligibility for digital news services that provide local news and lifesaving information about public health guidance** during the pandemic, with \$250 million for that expansion.

Payroll Tax Credits

- **Employee Retention Tax Credit (ERTC)** The [CARES Act \(March 2020\)](#) offered [refundable tax credits](#) against an employer's share of employment taxes. The credit covered 50% of up to \$10,000 in wages paid by an eligible employer impacted by COVID-19. The credit was intended to encourage businesses to keep employees on their payroll.
- **The Relief Act** (December, 2020) extended and enhanced the Employee Retention Credit by allowing eligible employers to claim a refundable tax credit against employment taxes equal to 70% of the qualified wages (up to \$10,000).
- The ARP extended the "[Employee Retention Tax Credit through December 31, 2021; expands it to allow certain severely distressed businesses to claim the credit for a greater share of employee wages and to cover newly formed businesses](#). The [credit may be claimed against Medicare taxes only](#). The employer/employee tax rate for Medicare is 1.45%. Instead of just withholding the taxes immediately, it is possible employers would need to file Form 7200.

Paid sick leave and family leave credits

The Families First Coronavirus Response Act (FFCRA) (March 2020) provides businesses with fewer than 500 employees refundable tax credits that reimburse them for the cost of providing workers:

- **Up to 80 hours of paid sick leave** for their own health needs or to care for others.
- **Up to an additional 10 weeks of paid family leave to care for a child** whose school or childcare provider is closed due to COVID-19 precautions.
- The ARP extends the Paid Sick Leave Credit until **September 30, 2021** and **expands eligibility to state and local governments** to provide these benefits .

Sources and Additional Resources

To read the full text of the American Rescue Plan (ARP) Act of 2021, [CLICK HERE](#).

For an analysis of the ARP by the National Association of Counties, [CLICK HERE](#).

For a partial list of programs in the ARP, [CLICK HERE](#).

For the Senate Democrats' summary of ARP provisions, [CLICK HERE](#).

For all COVID-19 Relief Programs under the Small Business Administration (SBA), [CLICK HERE](#).

Relief for Small Employers

For the U.S. Small Business Administration (SBA) portal for COVID-19 relief programs for small businesses information and applications, [CLICK HERE](#). SBA relief programs receive appropriations under the American Rescue Plan Act.

- The **Paycheck Protection Program receives another \$7.25 billion**, though it was not extended beyond its original expiration date of 3/31/2021.
- [The Economic Injury Disaster Loan \(EIDL\) program](#) is **allocated \$15 billion in new funding** to support small businesses, including sole proprietors, which account for over 90 percent of minority-owned businesses that have been disproportionately devastated by this crisis. For eligibility and to apply, [CLICK HERE](#).

State Small Business Capital Initiative:



• The ARP reinstates the [State Small Business Capital Initiative](#) (SSBCI), a 2010-2017 program that provided investment for state governments to set up low-interest loans and other investments to help entrepreneurs and small businesses.

- The \$1.5 billion in SSBCI in 2010 helped states leverage at least 10 times the amount of their SSBCI funds to generate new small business lending, helping to create or retain over 240,000 jobs.
- The ARP provides **\$10 billion for the SSBCI**.

For more information and to apply [CLICK HERE](#).

For information about your specific state's use of funding from 2010-2017 version of this program, see: [CLICK HERE](#).

Information for the 2021 version will be added in the coming months.



Spending in the ARP that affects Employers

Program	Amount (in Millions USD)	More Info/Apply
PAYCHECK PROTECTION PROGRAM (PPP)	\$7,250	https://www.sba.gov/funding-programs/loans/covid-19-relief-options/paycheck-protection-program
TARGETED ECONOMIC INJURY DISASTER LOANS (EIDL)	\$15,000	https://www.sba.gov/funding-programs/loans/covid-19-relief-options/covid-19-economic-injury-disaster-loan
SHUTTERED VENUE OPERATORS GRANTS	\$1,250	https://www.sba.gov/funding-programs/loans/covid-19-relief-options/shuttered-venue-operators-grant
RESTAURANT REVITALIZATION FUND	\$28,600	https://www.sba.gov/funding-programs/loans/covid-19-relief-options (application coming soon)
ALL SMALL BUSINESS ADMINISTRATION (SBA) PROGRAMS	--	https://www.sba.gov/funding-programs/loans/covid-19-relief-options
STATE SMALL BUSINESS CAPITAL INITIATIVE (SSBCI)	\$10,000	https://home.treasury.gov/policy-issues/small-business-programs/state-small-business-credit-initiative-ssbci
TOTAL	\$62,350	