

# THE AMERICAN RESCUE PLAN



## PROTECT CHICAGO



***The American Rescue Plan*** was signed into law on **March 12, 2021**.

The bill provides \$1.9 trillion to combat the COVID-19 pandemic. This summary highlights key points and is not meant to be comprehensive.

**\$350 billion for direct aid to state and local governments.**

Funding will go to states and municipalities of all sizes, including Chicago.

## Economic Relief for Workers & Families

- A new round of direct payments to individuals, \$1,400/person for individuals making up to \$75,000. The size of the payment decreases for people who earned more than \$75,000 in the 2019 tax year. The check disappears altogether for those who earned more than \$120,000.
  - Taxpayers without an eligible Social Security Number (SSN) are not eligible for these payments. However, married taxpayers filing jointly where one spouse has a SSN and one spouse does not are eligible for a payment of \$1,400, in addition to appropriate money per child with a SSN.
- Fully refundable Child Tax Credit of \$3,000/child dependent ages 6-17, and \$3,600/child dependent under the age of 6. These are to come in periodic payments from July to December 2021, not reliant on 2022 tax filing status.
- Expands the Child and Dependent Tax Credit to increase the amount of dependent care expenses that are eligible for the credit to \$4,000 for one individual, and \$8,000 for two or more.
- Extends the Employee Retention Tax Credit until December 31, 2021 and expands the credit by providing a 70 percent credit for up to \$10,000 in creditable wages per quarter.
- Extends the refundable payroll tax credits for paid sick and family leave through the end of March 2021.
- Raises Earned Income Tax Credit (EITC) for childless adults to close to \$1,500 from \$529, and the limit for the credit to about \$21,000 from \$6,557, while eliminating the age cap for older workers, for 2021.



- Extends the Families First Coronavirus Response Act paid sick time and paid family leave tax credits through September 30, 2021, and allows time for vaccinations.
- \$1 billion for states to provide additional cash assistance through Temporary Assistance for Needy Families (TANF).
- \$3 billion for the economic adjustment assistance, setting aside 25% for communities and states that have suffered economic injury due to job losses in the travel, tourism, or outdoor recreation sectors.
- \$1 billion Pandemic Emergency Fund establishing the fund to be distributed to the states for providing emergency assistance to low-income families with children.

## Economic Relief for Workers & Families

- Extends enhanced UI at extra \$300/week through September 6, 2021 and up to \$10,200 in tax relief for unemployed workers.
- Extends Pandemic Emergency Unemployment program to September 6, 2021.

## COVID-19 Health System Support

- \$7.5 billion for vaccine distribution, some coming to state and local, including Chicago.
- \$5.2 billion for vaccine production.
- \$47.8 billion for testing, tracing and COVID mitigation programs. A portion of this funding will go direct to state and local, including Chicago.
- \$7.66 billion for efforts establishing, expanding, and sustaining a public health workforce; awards to state and local health departments.
- \$7.6 billion for community health centers.
- \$3 billion to mental health programs. Half for the substance abuse prevention and treatment block grant program, the other half for community mental health block grant program.
- Expands and promotes health insurance coverage, including:
  - Supporting the continuation of employer-based health coverage by subsidizing COBRA coverage at 100% through the end of the fiscal year.
  - Creating health care subsidies for unemployed workers who are ineligible for COBRA.
  - Medicaid: allows states, for five years, to extend Medicaid eligibility to women for 12 months postpartum.
- \$14.5 billion for Veterans Affairs, to meet medical care and health needs.

## Transportation

- \$30.4 billion for transit, a portion of which will support CTA, Metra, and Pace.
- \$8 billion for airports, including O'Hare and Midway.
- \$15 billion for airline payroll support.
- \$10 billion for critical infrastructure projects with capital projects directly enabling work, education, and health monitoring, including remote options, in response to COVID-19. Funding will be distributed to states.
- \$1.7 billion for Amtrak.

## Support to Small Businesses

- \$15 billion in additional funding in emergency grants through the Economic Injury Disaster Loan program.
- \$7.25 billion in additional funding for the Paycheck Protection Program (PPP), expanding PPP eligibility for 501(c) nonprofits except lobbying 501(c)4.
- \$28 billion in new grants to support hard-hit small restaurants and food and drink establishments..
- \$1.25 billion in additional funding for shuttered and struggling live venues and opens up PPP to certain eligible entities.
- \$10 billion for the state small business credit initiative, including \$2.5 billion to support business enterprises owned and controlled by socially and economically-disadvantaged individuals, including minority-owned businesses.

## Housing

- \$21.5 billion for rental and utility assistance to be distributed by state and local governments, a portion of which will come to Chicago.
- \$9.961 billion for mortgage assistance, to be distributed by states.
- \$5 billion for homelessness.
- \$5 billion for Housing Choice Vouchers.
- \$500M for the Low-Income Household Drinking Water and Wastewater Emergency Assistance Program, to assist with utility bills.
- \$4.5 billion for the Low-Income Home Energy Assistance Program (LIHEAP), to assist with heating and energy bills.

## Nutrition & Food Security

- Extended 15% increase in SNAP benefits through September 30, 2021. Provides additional \$25 million to promote technological improvements for online SNAP purchases.
- \$800 million for WIC, supporting low-income women and infants.
- \$750 million for senior nutrition programs to support food programs and services for older adults struggling during the pandemic.
- Continues Pandemic EBT Program so that low-income families have access to school meals and food assistance during both the school year and summer months.

## Education

- \$130 billion for K-12 education, including CPS.
- \$40 billion for higher education.
- \$1 billion for Head Start.
- Makes future student loan relief tax-free and prevents any type of student loan forgiveness through 2026 from resulting in a tax bill for the borrower.

## Child Care & Early Learning

- \$38.965 billion for child care including:
  - \$14.99 billion in Child Care Development Block Grant funding to continue providing child care to essential workers.
  - \$23.975 billion in Child Care Stabilization funding.

## Access to Broadband

- \$7.172 billion emergency connectivity fund through E-Rate (schools and libraries), funding for Wifi, eligible connected devices, internet service, and hotspots to students and teachers.

## Supporting the Arts

- \$135 million for National Endowment for the Arts.
- \$135 million for National Endowment for the Humanities.
- \$200 million for Institute of Museum and Library Sciences.
- \$175 million for the Corporation for Public Broadcasting.

