



## What is in the American Rescue Plan Act for Your Organization?

On March 11, 2021, President Biden signed into law the [American Rescue Plan Act](#) (ARP). The legislation aims to both directly fight the COVID-19 pandemic and dampen the economic impact of the pandemic—including for small businesses and nonprofits.

First, ARP extends the Employee Retention Tax Credit through December 31, 2021. ARP also extends and expands the employer tax credit for those who voluntarily provide eligible employees with sick and family leave through September 30, 2021. Note that ARP does not extend the Families First Coronavirus Response Act requirement for certain employers to provide paid sick leave to employees.

In addition, ARP establishes the \$28.6 billion Restaurants Revitalization Fund, which provides grants for small and mid-sized restaurants and other hospitality businesses. Five billion dollars of the fund is targeted to businesses with revenue less than \$500,000 in 2019. Grants may be awarded up to \$10 million per entity and \$5 million per physical location, with a maximum of 20 locations, with the amount covering up to the difference between 2019 and 2020 revenues.

An additional \$1.25 billion supplements the existing \$15 billion for the [Shuttered Venue Operator Grant](#) program. The program is not yet open but is expected to begin accepting applications shortly.

ARP adds \$7.25 billion more for the [Paycheck Protection Program](#) (PPP). While ARP does not extend the PPP deadline, separate legislation extends the deadline to May 31, 2021. PPP eligibility is expanded to include more nonprofit

organizations, as well as recipients of the Shuttered Venue Operator Grant seeking a second PPP loan. While PPP loan forgiveness still requires 60 percent of funds to be spent on eligible payroll expenses, COBRA premium assistance is a new allowable payroll expense.

Next, \$15 billion was added for [Targeted Economic Injury Disaster Loan](#) (EIDL) advance grants up to \$10,000 for small businesses in low-income communities. \$10 billion is specifically intended for businesses that have not received the full EIDL advance grant they are eligible for. Five billion dollars is allocated for small businesses with 10 or fewer employees that suffered an economic loss of more than 30 percent.

Twenty-four billion dollars of grants will be made to childcare providers through a childcare stabilization fund. Grants may be used for a wide range of expenses such as payroll, sanitization supplies, personal protective equipment, and fixed costs like rent.

Supplemental federal unemployment insurance benefits of \$300 per week will run for six months through September 6, 2021. Through this same date, people that lost work as a result of the pandemic may continue to be eligible for [Pandemic Emergency Unemployment Compensation \(PEUC\) and Pandemic Unemployment Assistance \(PUA\)](#). The maximum duration for both PUA and PEUC increased, from 24 to 53 weeks and from 50 to 79 weeks, respectively. Further, the first \$10,200 of unemployment compensation paid in 2020 will not be taxable to those with incomes under \$150,000.

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Lastly, ARP allocates \$10 billion for the State Small Business Credit Initiative to allow state governments to create programs that utilize private capital for low-interest loans and other investment to support entrepreneurs.

**Additional information for nonprofits and small businesses impacted by the coronavirus pandemic is at the D.C. Bar Pro Bono Center's Coronavirus Legal Resources section at [www.lawhelp.org/dc/NPSB](http://www.lawhelp.org/dc/NPSB).**

**If you have questions about these programs or other legal issues, feel free to contact us at [npsb@dcbbar.org](mailto:npsb@dcbbar.org).**

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