



COVID-19 LEGISLATIVE UPDATE 03/19/2020

Administration

- President Trump signed the Families First Coronavirus Response Act into law following its passage by the Senate last night.
- Administration officials are reportedly considering the use of 25- and 50-year bonds to finance the Phase 3 stimulus bill, which could cost up to \$1.3 trillion.
- The Treasury Department issued guidance saying that taxpayers can delay paying some federal income taxes for 90 days but still must submit their forms to the Internal Revenue Service or officially request an extension by April 15. House Ways and Means Committee Chairman Richard Neal (D-MA) sent a letter urging Mnuchin to extend the filing deadline to July 15. Senators John Thune (R-SD), Angus King (I-ME), Steve Daines (R-MT), and Richard Burr (R-NC) introduced legislation to extend the deadline to July 15.
- Treasury Secretary Steven Mnuchin indicated that he would like the federal government to purchase “\$10 billion or \$20 billion worth of oil” to fill the Strategic Petroleum Reserve and aid the oil and gas industry.
- Mnuchin also confirmed that the White House and Senate Republicans plan to present a proposal which would provide every adult American with a \$1,000 check, plus another \$500 for each child. Mnuchin indicated that the checks would go out three weeks after a bill is passed, with a second round of checks going out six weeks after that if there is still a national emergency declaration.
- At a press conference, President Donald Trump and Mnuchin indicated that the federal government could take an equity stake in companies seeking financial assistance.

Senate

- The Senate is working to craft its proposal for a Phase 3 response package. Majority Leader McConnell (R-KY) has said the Senate will not recess until it passes a bill. There are reports that the Republican stimulus plan could be released as soon as later today.
- On the Senate Floor, McConnell stated that Republican priorities in Phase 3 include direct cash assistance to individual and families, aid to small businesses, targeted lending to “industries of national importance,” and additional resources to combat COVID-19.
- Senator Susan Collins (R-ME) said she expects the Senate to vote on the Phase 3 bill this weekend. Senator Marco Rubio (R-FL) said McConnell asked senators to get their proposals to him by Thursday morning.
- Via twitter, Senator Marco Rubio (R-FL) stated that the Senate is working on a program of forgivable loans for small businesses, as part of the Phase 3 package.
- In a Floor speech, Minority Leader Chuck Schumer (D-NY) said any industry bailouts must include protections for workers. He called for Phase 3 to include a massive investment in the health care system. He stated that other Democratic priorities include expanded Unemployment Insurance, paid sick leave, and liquidity for small businesses. He called on McConnell to include Democrats in the negotiations on Phase 3.

House

- House Majority Leader Steny Hoyer (D-MD) sent a Dear Colleague to members, in which he indicated that the House would not reconvene until they are in a position to vote on the Phase 3 package, in light of guidance from the CDC. He stated that House voting procedures would be modified to comply with CDC recommendations.
- In a letter to House Democrats, Speaker Nancy Pelosi (D-CA) said leadership has three top areas of concern for the next bill: unemployment insurance, increased Medicaid funding, and further assistance to small businesses.



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- House Financial Services Committee Chairwoman Maxine Waters (D-CA) released a proposed legislative response to the coronavirus outbreak. Under Waters' proposal "The Federal Reserve would be directed through a money-financed fiscal program, to fund automatic stabilizers in the form of at least \$2,000 for every adult and an additional \$1000 for every child for each month of the crisis." The sweeping proposal includes a wide range of provisions, including suspension of all consumer and small business credit payments for the duration of the crisis and a ban on all evictions, foreclosures and repossessions for the duration of the crisis. The proposal would also impose disclosure requirements and executive compensation restrictions on large corporations which accept government assistance. The proposal would create a reinsurance program for pandemics similar to the Terrorism Risk Insurance Act.
- Representatives Mario Diaz-Balart (R-FL) and Ben McAdams (D-UT) were the first two Members of Congress to test positive for the coronavirus. Several other members have self-quarantined in response.

State/Local Government

- New Jersey Transit sent a letter to the New Jersey Congressional delegation requesting \$1.25 billion to offset an 88 percent reduction in system-wide ridership.
- New York Governor Andrew Cuomo (D) announced a mandate for businesses to have 75 percent of their employees work from home, with an exception for essential services. He also announced a 90-day mortgage relief program, as well as a waiver of overdraft, ATM, and credit card fees. Cuomo emphasized that he was not implementing a "shelter-in-place" or quarantine order for New York City.
- Maryland Governor Larry Hogan (R) ordered the closure of all malls and entertainment venues, in order to stem the spread of the coronavirus.

Private Sector

- The National Association of Manufacturers updated its COVID-19 Policy Action Plan Recommendations and called on Congress to "establish a federal Manufacturing Resiliency Fund of at least \$1.4 trillion to provide interest-free loans to manufacturers impacted by COVID-19."
- The National Retail Federation sent a letter to the Administration and Congressional leaders requesting the creation of a direct, government-backed loan program, which could provide a bridge to the resumption of normal business operations. They also recommended reinstating the Net Operation Loss (NOL) carryback, which would allow businesses that are losing money this year to monetize those losses earlier than otherwise allowed by applying them against past years' taxable income.
- The National Restaurant Association sent a letter to the White House requesting assistance for restaurants, including directed/targeted financial relief, loans/insurance options for impacted small businesses, and tax measures. Specifically, the letter requested a \$145 billion Restaurant and Foodservice Industry Recovery Fund, as well as \$35 billion for Community Development Block Grants for Disaster Relief assistance.
- Trade groups representing the renewable energy sector sent a letter to Congressional leaders requesting: (1) an extension of start construction and safe harbor deadlines to qualify for renewable tax credits to accommodate pandemic-related disruptions; (2) renewable credits to be available for direct pay to facilitate their monetization; and (3) enactment of a direct pay tax credit for stand-alone energy storage.