

CLIENT ALERT

Summary of Second COVID-19 Stimulus Relief Bill and COVID-19 Funding Included in Consolidated Appropriations Act, 2021

DECEMBER 27, 2020

On December 21, 2020, both houses of the United States Congress passed the Consolidated Appropriations Act, 2021 (the Act), a nearly 6,000-page omnibus spending bill, which includes within it a COVID-19 stimulus package that provides approximately \$900 billion in emergency relief to individuals and businesses as the pandemic continues. It also includes COVID-19-related funding. The Act was signed by the President this evening. This Act includes the second COVID-19 stimulus bill passed by the federal government; the first stimulus bill, the Coronavirus Aid, Relief and Economic Security Act (or CARES Act), was enacted in March.

Much of the Act pertains to appropriations for the operation of the federal government that are unrelated to COVID-19. Principal takeaways of the Act that do pertain to COVID-19 are summarized below. Please note that because the pagination of the copy of the Act accompanying this Briefing (i.e., the copy printed by the House Rules Committee, which remains as of the date hereof the only version available) restarts three times, the references to pages below are to the physical pages of the pdf copy of the Act accompanying this Briefing.

- **Small business loans.** The Act clarifies that business expenses paid for using tax-free loans made under the CARES Act's Paycheck Protection Program (PPP) are tax-deductible. The Act also includes more than \$284 billion for additional PPP loans to small businesses. See Act, p. 2117.
- **Individual stimulus checks.** The Act authorizes one-time direct, economic stimulus payments of up to \$600 for individuals and \$2,400 for families of four. *Id.*, p. 1966. The payments are less than those included in the CARES Act, which authorized amounts of \$1,200 to individuals and \$2,400 to couples.
- **Unemployment benefits.** The Act extends (for 11 weeks) federal unemployment insurance benefits by \$300 a week for unemployed individuals. *Id.*, pp. 1934-35.
- **Broadband access.** The Act includes several billion dollars in funding to increase broadband access to help individuals connect remotely during the pandemic. See *Id.*, p. 2390.
- **Transportation services.** The Act allocates billions to support transportation services. This includes \$2 billion for airports and \$16 billion in payroll support for airline workers and contractors. *Id.*, pp. 1897, 2210-11.
- **Tax credits.** The Act provides various tax credits, including a tax credit for companies offering paid sick leave to workers during the pandemic. See *Id.*, p. 2033.

- **Vaccine distribution and development.** The Act funds vaccine distribution. Specifically, the Act provides that over \$8 billion shall remain available until September 30, 2024, for “activities to plan, prepare for, promote distribute, administer, monitor, and track coronavirus vaccines to ensure broad-based distribution, access, and vaccine coverage.” *Id.*, p. 1827. Additionally, the Act funds vaccine development. It states that over \$22 billion shall remain available until September 30, 2024, for “the development of necessary countermeasures and vaccines, . . . the purchase of vaccines, therapeutics, diagnostics, [and] necessary medical supplies, . . . and other preparedness and response activities.” *Id.*, p. 1840.
- **Testing-related expenses.** Another \$22.4 billion through September 30, 2022, is designated for “necessary expenses for testing, contact tracing, surveillance, containment, and mitigation to monitor and suppress COVID-19.” *Id.*, p. 1844. Among the testing-related expenses covered by this funding are “tests for both active infection and prior exposure, including molecular, antigen, and serological tests, the manufacturing, procurement and distribution of tests, testing equipment and testing supplies, including personal protective equipment needed for administering tests, the development and validation of rapid, molecular point-of-care tests, and other tests, support for workforce, epidemiology, to scale up academic, commercial, public health, and hospital laboratories, to conduct surveillance and contact tracing, support development of COVID-19 testing plans, and other related activities related to COVID-19 testing and mitigation.” *Id.*
- **Clinical research.** The Act allocates over \$1 billion “for research and clinical trials related to long-term studies of COVID-19.” *Id.*, p. 1831.
- **Health care reimbursements.** The Act allocates \$3 billion “to reimburse, through grants or other mechanisms, eligible health care providers for health care related expenses or lost revenues that are attributable to coronavirus.” *Id.*, p. 1849.
- **Mental health services.** Over \$4 billion is provided for substance abuse and mental health services. *Id.*, p. 1833. For example, the Act provides that not less than \$50 million of these funds “shall be available for suicide prevention programs,” and \$10 million of such funds “shall be for the National Child Traumatic Stress Network.” *Id.*
- **Child care assistance.** The Act provides an additional \$10 billion as a supplement to state revenue funds for child care assistance for low-income families. *Id.*, p. 1834.
- **Moratorium on evictions and rental assistance.** The Act extends the temporary eviction moratorium through January 31, 2021. *Id.*, p. 2281. It also provides \$25 billion in tax-free rental assistance. *Id.*, p. 2255.

The Act does not provide broad COVID-19 liability shields for businesses, nor funding for state and local governments. While lawmakers debated including such provisions in the Act, they ultimately were not included.

We note that COVID-19 legislation at both the state and federal levels is changing every day, and the information contained in this Briefing is accurate only as of the date set forth above. For questions related to the Act, please contact your Winston relationship attorney.

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