House approves CARES Act stimulus package, president’s signature expected

The House on March 27 approved by voice vote the Coronavirus Aid, Relief, and Economic Security (CARES) Act, a substantial tax-and-spending package intended to provide additional economic stimulus to address the impact of the COVID-19 pandemic. The measure cleared the Senate on March 25 and now makes its way to the White House for President Trump’s signature. (The president has already indicated he intends to sign the bill into law.)

URL: https://newsletters.usdbriefs.com/2020/Tax/TNV/200325_1_suppA.pdf

Many House lawmakers rushed back to Washington on March 26 and 27 to ensure that at least 216 members were present in the chamber after Rep. Thomas Massie, R-Ky., said he opposed the bill and didn’t believe it was constitutional to hold a voice vote without a quorum.

To ensure members’ safety, House leaders had the representatives who were present space themselves out around the House floor and – in a possibly unprecedented move – throughout the Visitors’ Gallery that looks down on the floor. Once Speaker Nancy Pelosi, D-Calif., was assured by staff that there was a quorum present, House Majority Leader Steny Hoyer, D-Md., called for yeas and nays to pass the bill by voice vote. A clear “nay” could be heard, and Massie stepped to the microphone to ask for a recorded vote. When no one seconded his motion and it was denied, he asked for a quorum count. Rep. Anthony Brown, D-Md., who was in the Speaker’s Chair presiding over the debate, quickly confirmed that a quorum was present and announced that the bill had passed.
New Deloitte Tax publication explains CARES Act tax provisions

The CARES Act includes a number of significant tax and nontax provisions targeted at businesses and individuals that are estimated – unofficially – to increase the deficit by some $2 trillion. *COVID-19 stimulus: A taxpayer guide*, a new publication from Deloitte Tax LLP, offers details about the tax provisions in the legislation and their potential implications for business and individual taxpayers.


**On to Phase 4?**

With the CARES Act now on its way to President Trump’s desk, the House and Senate are expected to be in recess for the next several weeks, but discussions are already underway on a possible “Phase 4” stimulus proposal.

House Speaker Pelosi told reporters March 26 that the CARES Act “is about mitigation. There’s so many things we didn’t get in any of these bills yet in the way that we need to.” Among items Pelosi said she hopes to address in the next bill is pension stabilization. A stimulus plan that House Democratic leaders unveiled on March 23 includes, among other things, provisions aimed at shoring up financially struggling multiemployer pension plans. Democrats reportedly tried – without success – to insert those provisions into the CARES Act as they negotiated with Republicans to make changes to the bill earlier this week; but Pelosi told reporters March 26 that she has received assurances that President Trump nonetheless supports strengthening multiemployer plans.


Pelosi also indicated that her Phase 4 list includes increased funding for food assistance, stronger health and safety protections for first responders, and more money for state and local governments to address the coronavirus. She added that she doesn’t think “we’ve seen the end of direct payments.”

An expansion of refundable tax credits for individuals (such as the earned income and child tax credits) is also among the speaker’s priorities for an economic stimulus package.

Pelosi has stated that the negotiations on the next round of stimulus legislation should include Republican and Democratic leaders in both chambers – the so-called “four corners” approach.

For their part, several Senate Republicans have also suggested further legislation, with GOP Conference Chairman John Barrasso of Wyoming advocating for the bipartisan infrastructure bill (S. 2302) passed by the Senate Environment and Public Works Committee last year; Sen. Marsha Blackburn of Tennessee pushing to include a bipartisan bill she introduced last year that calls for stepping up US manufacturing of prescription drugs (S. 3432); and Sen. Marco Rubio of Florida saying that “it’s possible that we may have to come back and invest more” in small business relief.

The Senate plans to be out of session until April 20, barring an urgent need to return to Washington, but Minority Leader Charles Schumer, D-N.Y., also said this week that he expects further legislation related to the coronavirus emergency.

“We should be willing, able to come back in a bipartisan way and do more if we need it, and I believe we’ll probably have to do that, one way or another,” he told reporters.

“A lot of it [will] depend on how successful we are at defeating the disease and how quickly America can get back to work,” Barrasso told *Newsweek*.

House Republican Leader Kevin McCarthy of California was less bullish on additional legislation in the near future, saying, “We don’t need to be crafting another bill right now. Let’s let these $2 trillion go to work for us, plus the $8 billion ahead of time [in an emergency supplemental bill, P.L. 116-123] and the billions of dollars we just passed [in the Families First Coronavirus Response Act, P.L. 116-127].”

— Storme Sixeas
Tax Policy Group
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A note on our publication schedule

The House and Senate are out of session until late April, barring an urgent need to return to Washington for legislative business. We will publish Tax News & Views during the recess as events warrant and hope you and your families are safe and secure.

— Jon Traub  
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