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## Get to know the CARES Act

The particulars of the federal government’s relief bill are now public. In a new audio discussion, Deloitte Tax LLP policy leader Jonathan Traub leads a deep dive on the tax implications of the Coronavirus Aid, Relief, and Economic Security (CARES) Act and how it may impact individuals and organizations. He also zooms out and explains where it fits into the Congressional multi-step action plan.

**URL:** <https://www2.deloitte.com/us/en/pages/tax/articles/covid-19-tax-policy-updates.html?id=us:2em:3na:tnv:awa:tax:040320&sfid=7011000001xmTYQAY>

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## Understanding the CARES Act’s tax provisions – A selected list of key resources

In the days leading up to and following the enactment of the Coronavirus Aid, Relief, and Economic Security Act (P.L. 116-136), various sources within the government have released resource materials aimed at explaining the provisions in the new law.

Deloitte Tax LLP has prepared a ready-reference guide with links to the text of the CARES Act as well as key materials available from Congress, the Treasury Department, and the IRS describing its tax title and selected nontax provisions. Links to resources available from Deloitte Tax are also included. This list will be updated as new materials are released.

## Legislative language

- **US Congress:** Text of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (enacted on March 27, 2020)  
**URL:** <https://www.congress.gov/116/bills/hr748/BILLS-116hr748enr.pdf>

## General summaries, descriptions, and analysis

- **Deloitte Tax:** *COVID-19 stimulus: A taxpayer guide* (released March 27)  
**URL:** <https://www2.deloitte.com/us/en/pages/tax/articles/covid-19-tax-policy-updates.html?id=us:2em:3na:tnv:awa:tax:040320&sfid=70110000001xmTYQAY>
- **Senate Finance Committee Republican staff:** Section-by-section summary of tax and unemployment insurance provisions in the CARES Act (released March 25)  
**URL:** [https://www.finance.senate.gov/imo/media/doc/CARES%20Act%20Section-by-Section%20\(Tax,%20Unemployment%20Insurance\).pdf](https://www.finance.senate.gov/imo/media/doc/CARES%20Act%20Section-by-Section%20(Tax,%20Unemployment%20Insurance).pdf)
- **Senate Democratic staff:** Section-by-section summary of the tax and nontax provisions in the CARES Act (released March 25)  
**URL:** <https://www.menendez.senate.gov/imo/media/doc/CARES%20Act%20Section-By-Section%20Summary.pdf>
- **Congressional Research Service:** Summary of CARES Act tax provisions approved by the Senate on March 25 and subsequently enacted into law; also summarizes tax provisions in prior Senate versions of the CARES Act unveiled on March 23 and March 19 (released March 31)  
**URL:** <https://crsreports.congress.gov/product/pdf/R/R46279>

## Revenue estimates

- **Joint Committee on Taxation staff:** Revenue estimate for tax provisions in the CARES Act (released March 26)  
**URL:** <https://www.jct.gov/publications.html?func=startdown&id=5252>

## Materials addressing specific CARES Act tax provisions

### Employee retention credit (CARES Act section 2301):

- **IRS:** FAQs explaining how the credit operates and who is eligible (released April 1)  
**URL:** <https://www.irs.gov/newsroom/faqs-employee-retention-credit-under-the-cares-act>
- **Treasury Department:** News release explaining how the credit operates and who is eligible (released March 31)  
**URL:** <https://home.treasury.gov/news/press-releases/sm962>
- **Senate Finance Committee Republican staff:** FAQs on the employee retention credit (released March 31)  
**URL:** <https://www.finance.senate.gov/chairmans-news/cares-act-employee-retention-credit-faq>
- **Congressional Research Service:** Overview of the CARES Act credit, plus discussion of past use of employee retention credits and economic and policy considerations (released April 1)  
**URL:** <https://crsreports.congress.gov/product/pdf/IN/IN11299>
- **Deloitte Tax:** Alert on IRS Notice 2020-22 regarding potential penalty relief related to the deposits of employment taxes under the employee retention credit in the CARES Act and the credits for paid sick leave and paid family leave under the Families First Coronavirus Response Act (released April 1)  
**URL:** [https://newsletters.usdbriefs.com/2020/Tax/TNV/200403\\_1\\_suppA.pdf](https://newsletters.usdbriefs.com/2020/Tax/TNV/200403_1_suppA.pdf)

## Retirement and pension provisions (CARES Act sections 2202-2203 and 3608(a)):

- **Senate Finance Committee Republican staff:** Q&A on CARES Act retirement provisions (released April 2)  
**URL:** <https://www.finance.senate.gov/chairmans-news/cares-act-retirement-provisions-faq>
- **Congressional Research Service:** Summary of CARES Act retirement provisions (released April 1)  
**URL:** <https://crsreports.congress.gov/product/pdf/IF/IF11482>

## Recovery rebate checks (CARES Act section 2201):

- **IRS:** Q&A on the rebate check program (released March 30)  
**URL:** <https://www.irs.gov/newsroom/economic-impact-payments-what-you-need-to-know>
- **House Ways and Means Committee Democratic staff:** FAQs on the rebate check program (released March 30)  
**URL:** <https://waysandmeans.house.gov/sites/democrats.waysandmeans.house.gov/files/documents/CARES%20Act%20Rebates%20FAQ.pdf>
- **Senate Finance Committee Republican staff:** FAQs on the rebate check program (released March 26)  
**URL:** <https://www.finance.senate.gov/chairmans-news/cares-act-recovery-checks-faq>
- **Congressional Research Service:** Overview of rebate amounts, phase-outs, eligibility requirements, and other considerations related to the rebate program (released March 31)  
**URL:** <https://crsreports.congress.gov/product/pdf/IN/IN11282>

## Paycheck Protection Program (CARES Act section 1102)

- **Treasury Department:** Fact sheets provide an overview of the program, information for lenders, and information for borrowers; the application form is also available (released March 31)  
**URL:** <https://home.treasury.gov/system/files/136/PPP%20--%20Overview.pdf>  
**URL:** <https://home.treasury.gov/system/files/136/PPP%20Lender%20Information%20Fact%20Sheet.pdf>  
**URL:** <https://home.treasury.gov/system/files/136/PPP%20Borrower%20Information%20Fact%20Sheet.pdf>  
**URL:** <https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Application-3-30-2020-v3.pdf>

## Other resources

- **IRS:** Resource page focused on steps to help taxpayers, businesses, and others affected by the coronavirus; includes guidance related to the CARES Act and the Families First Coronavirus Response Act (updated continuously)  
**URL:** <https://www.irs.gov/coronavirus>
- **Treasury Department:** Resource page outlining assistance and programs available to businesses and individuals affected by the coronavirus (updated continuously)  
**URL:** <https://home.treasury.gov/coronavirus>
- **House Ways and Means Committee:** Resource page compiling information on tax and nontax issues related to coronavirus relief legislation that fall under the committee's jurisdiction (created March 31)  
**URL:** <https://waysandmeans.house.gov/media-center/press-releases/ways-and-means-committee-covid-19-resources>
- **House Ways and Means Committee Republican staff:** Resource page compiling summaries, fact sheets, and guidance from government departments and agencies related to the CARES Act, the Families First Coronavirus Response Act, and the Coronavirus Preparedness and Response Supplemental Appropriations Act (updated continuously)  
**URL:** <https://gop-waysandmeans.house.gov/corona-virus-bulletin-resources-for-leading-during-the-crisis/>
- **Senate Republican Policy Committee:** Resource page compiling materials from the Senate Small Business, HELP, Banking and Commerce, Finance, and Appropriations committees related to tax and nontax provisions in the CARES Act (created April 1)  
**URL:** <https://www.rpc.senate.gov/policy-papers/cares-act-committee-resources>

- **Department of Labor:** Resource page with information to help employers and workers prepare for and respond to the coronavirus (including guidance for employers related to the paid sick leave and paid family and medical leave requirements enacted under the Families First Coronavirus Response Act)  
[URL: https://www.dol.gov/coronavirus](https://www.dol.gov/coronavirus)
- **Small Business Administration:** Resource page providing guidance and information on funding programs available to small businesses affected by the coronavirus.  
[URL: https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources](https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources)
- **Congressional Research Service:** Overview of coronavirus relief and assistance resources available to small businesses (released April 1)  
[URL: https://crsreports.congress.gov/product/pdf/IN/IN11301](https://crsreports.congress.gov/product/pdf/IN/IN11301)

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## 'Phase 4' stimulus wish lists floated

As taxpayers digested the provisions in the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-36), which was signed into law March 27, House Speaker Nancy Pelosi, D-Calif., and President Trump this week identified some of the tax provisions they'd like to see enacted as part of a possible "Phase 4" stimulus package.

Speaker Pelosi specifically called for relaxing the \$10,000 cap on the deduction for state and local taxes (SALT) that was enacted as part of the 2017 tax code overhaul known informally as the Tax Cuts and Jobs Act – a move she argued would provide relief to individuals living in areas with high local income and real property taxes. (The House late last year approved legislation that would temporarily suspend the cap for most taxpayers, but that bill has not been taken up in the Republican-controlled Senate. For prior coverage, see *Tax News & Views*, Vol. 20, No. 43, Dec. 20, 2019.)

[URL: https://newsletters.usdbriefs.com/2019/Tax/TNV/191220\\_1.html](https://newsletters.usdbriefs.com/2019/Tax/TNV/191220_1.html)

Speaker Pelosi has stated recently that she would also like to see an expansion of refundable tax credits for individuals (such as the earned income and child tax credits) and relief for financially strapped multiemployer pension plans in the next stimulus bill, along with nontax relief provisions such as 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. House Democratic leaders also are expected to push for inclusion of environmental protection and climate-change mitigation provisions. Many of these priorities were included in the stimulus proposal House Democrats unveiled on March 23 as Senate Republican leaders attempted to advance the CARES Act through their chamber. (For prior coverage, see *Tax News & Views*, Vol. 21, No. 16, Mar. 23, 2020.)

[URL: https://appropriations.house.gov/sites/democrats.appropriations.house.gov/files/Take%20Responsibility%20for%20Workers%20and%20Families%20Act%20summary.pdf](https://appropriations.house.gov/sites/democrats.appropriations.house.gov/files/Take%20Responsibility%20for%20Workers%20and%20Families%20Act%20summary.pdf)

[URL: https://newsletters.usdbriefs.com/2020/Tax/TNV/200323\\_1.html](https://newsletters.usdbriefs.com/2020/Tax/TNV/200323_1.html)

President Trump this week called for restoring the deduction for business meals and entertainment, which he contended would bolster the restaurant industry. The Tax Cuts and Jobs Act generally eliminated the entertainment deduction but retained deductions for certain meals at 50 percent.

The president and Speaker Pelosi separately made a case this week for including a significant infrastructure spending package in the next stimulus bill. Pelosi called for a five-year \$760 billion investment in transportation, broadband, and clean water infrastructure projects during a conference call with reporters on April 1, and the president called for \$2 trillion in infrastructure spending in a statement posted on Twitter March 31.

### Mixed signals on timing

The House and Senate are currently in recess, and Pelosi has indicated that she would like her chamber to act on stimulus legislation as quickly as possible after the legislative session resumes later this month. Both chambers are tentatively scheduled to come back into session the week of April 20, but House Majority Leader Steny Hoyer, D-Md.,

has indicated that the return date could be even later. (It's worth noting that although committee chairmen can work on drafting legislation during the recess, House leaders have thus far ruled out the idea of allowing members to vote remotely on measures coming before the committees or the chamber as a whole.)

Congressional Republican leaders, meanwhile, have questioned the need for immediate action on another stimulus package. House Minority Leader Kevin McCarthy, R-Calif., told reporters shortly after the passage of the CARES Act that Congress should evaluate the results of the tax and spending legislation that has been enacted to date before taking up additional relief proposals, and Senate Majority Leader Mitch McConnell, R-Ky., told *The Washington Post* April 2 that talk of a Phase 4 stimulus proposal was "premature."

### **Pelosi announces coronavirus select committee**

In other developments, Speaker Pelosi on April 2 announced the formation of the House Select Committee on the Coronavirus Crisis, a bipartisan panel that will be charged with "ensur[ing] that the over \$2 trillion that Congress has dedicated to this battle – and any additional funds Congress provides in future legislation – are spent wisely and effectively."

**URL:** <https://www.speaker.gov/newsroom/4220>

The committee, which the speaker said "will be empowered to examine all aspects of the federal response to the coronavirus" will be headed by House Majority Whip Jim Clyburn, D-S.C. Other committee members had not been announced at press time.

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