

## PCA CARES ACT SUMMARY

**Business Relief:** The bill provides over a \$1 trillion in loans, grants, guarantees, and enhanced tax measures for small businesses and corporations

- **PCA Direct:**

- Allows for companies to carry back five-years of net operating losses to their 2018, 2019, 2020 tax bills.
- Delay of payroll taxes for all employers: due over the course of two years with half due by 12/31/21 and balance by 12/31/22.
- Accelerated recovery of AMT credits in the form of refunds.
- Modification of limitation on business interest: this would loosen the limitation on interest deduction to 50% of EBITDA for 2019, 2020 (limit is currently 30% of EBITA).
- Sets aside \$454 billion in Treasury's Exchange Stabilization Fund (ESF) for eligible businesses, states, and municipalities to access loans and loan guarantees. Any direct lending is subject to certain criteria. Companies must be domiciled domestically, are limited from making dividends or offshoring jobs, and must make a "good faith effort" to maintain at least 90% of employees at full compensation and benefits. Loans must be paid back within five years, with other criteria being set forth by the Secretary of the Treasury.

- **PCA Indirect:**

- Loan fund of \$349 billion for companies that would qualify as "small business" applicable up to 500 employees per physical location.
- 80% carry back limitation lifted for pass-through entities to harmonize with the net operating loss treatment for C-Corporations for 2018, 2019, 2020.
- \$10 billion grant fund for small businesses to provide paid-sick leave, pay rent or other costs related to the disaster.
- Expansion of Unemployment Insurance from 3-4 months and an increased payment of \$600 per week.
- Creates a temporary Pandemic Unemployment Assistance program for those not traditionally eligible for unemployment benefits.
- Recovery checks of up to \$1,200 will be given to most taxpayers. Married couples who file a joint return are eligible for up to \$2,400. Those amounts increase by \$500 for every child. Individuals making over \$99,000 and joint filers over \$198,000 will at this point receive no benefits.
- Creates limitations on how much an employer with 500 or fewer employees be required to pay for paid and emergency paid sick leave per day and in the aggregate for each employee.

**Airport Aid to Respond to the Coronavirus:** The bill includes \$10 billion to address a range of needs impacting airports as they respond to the coronavirus; including emergency response, cleaning, sanitization, infrastructure projects and airport operations.

- **PCA Direct:**

- \$2 billion of the \$10 billion is allocated for *Airport Improvement Program* eligibilities, including concrete intensive projects like buildings and runways.

- All the airport projects funded by the bill have a 100% federal cost share, an increase from the traditional 80% federal and 20% local cost share.
- **PCA Indirect:**
  - Another \$7.4 billion is for commercial airports and available for a wide range of eligibilities beyond capital projects, including losses in revenue due to reduced passengers, operations and increased cleaning costs.

**Miscellaneous:** Items that traditionally impact PCA's membership or are worthy to note.

- **EPA & DOE:** \$35 million in additional funding for both agencies to meet operations related to pandemic.
- **Transit:** As transit systems across the country are facing significant reductions in ridership, the bill includes \$25 billion for transit operating expense.
  - It is important to note that traditional federal funding for transit, which is focused on capital projects and the purchase of equipment, the legislation allows transit systems to use this revenue for operating expenses.
- **Federal Emergency Management Agency:** The bill provides \$45 billion for FEMA's Disaster Relief Fund. Funding will be used by FEMA to help states respond to COVID-19. Much of this funding will *not* be used for capital intensive projects, but instead for the supplies states need to respond to COVID-19.