

Relief: Second-largest stimulus bill in U.S. history now heads to the House

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What's in the Senate bill?

UNEMPLOYMENT BENEFITS

- The package extends the existing \$300 weekly unemployment benefit through Sept. 6, as well as provide a tax break on \$10,000 in unemployment benefits. (The House version would have increased the weekly benefit from \$300 to \$400 per week through Aug. 29.)
- The \$900 billion stimulus package passed in December provided the unemployed an extra \$300 per week in benefits. That program expires in mid-March.

STIMULUS CHECKS

- The Senate bill would send \$1,400 stimulus checks on top of the \$600 payments issued through the stimulus bill passed in December. Roughly \$400 billion of the package would go toward another round of checks.
- Biden has agreed to narrow eligibility for a new round of \$1,400 payments to appease more moderate Democrats. Under the new structure, the checks would phase out faster for those at higher income levels compared with the formula in Biden's initial proposal and the House bill.
- In the Senate version, individuals earning \$75,000 per year and couples earning \$150,000 would still receive the full \$1,400-per-person benefit. However, the benefit would disappear for individuals earning more than \$80,000 annually and couples earning more than \$160,000. For example, that means singles making between \$80,000 and \$100,000 and couples earning between \$160,000 and \$200,000 would be newly excluded from seeing any benefit under the revised structure.

MINIMUM WAGE

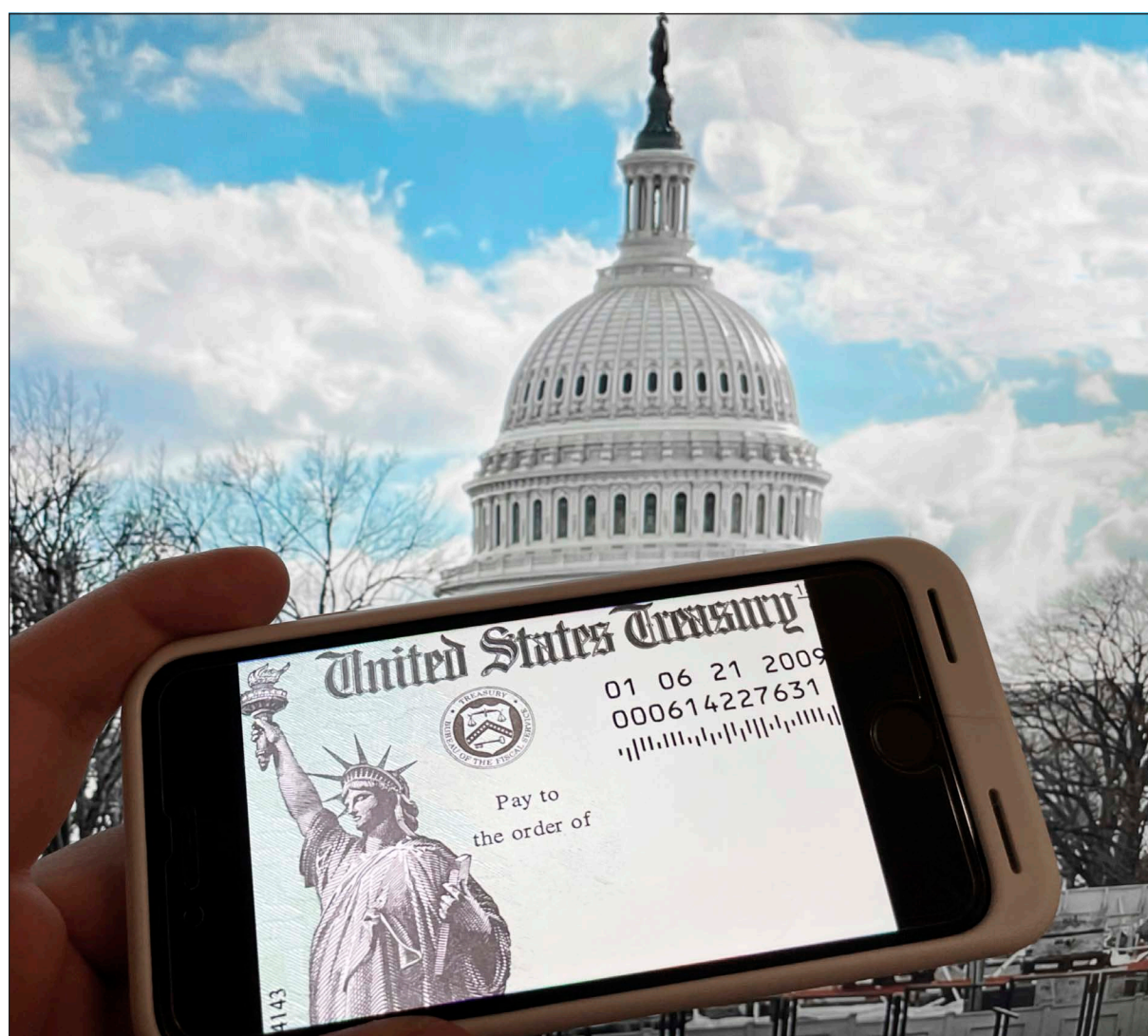
- An amendment offered by Sen. Bernie Sanders, I-Vt., to increase the minimum wage to \$15 did not win over enough Democratic support. (The House bill included the minimum raise increase from \$7.25 to \$15.)

CHILD TAX CREDIT

- Under the Senate plan, most Americans would receive \$3,000 a year for each child ages 6 to 17, and \$3,600 for each child under age 6.
- The provision in the bill would last one year and be sent via direct deposit on a "periodic" basis. It is also a major expansion of the existing child tax credit, which currently provides \$2,000 a year for children from birth through age 16.
- More regular payments are intended to help offset costs families face day to day, instead of sending families one annual payment.

AID TO STATE AND LOCAL GOVERNMENTS

- The Senate package designates \$350 billion for states, cities, tribal governments and U.S. territories.
- Local government funding emerged as one of the top flash points in stimulus negotiations. Moderate Senate Democrats have pushed to redirect some of those funds to invest in infrastructure and to expand the broadband network. Others on the left have grown concerned that some states would use federal aid to cut local taxes instead of spending money on COVID relief.
- Facing deep budget shortfalls,



STRF/STAR MAX/IPX

President Joe Biden's signature \$1.9 trillion COVID-19 relief bill provides more direct payments to many Americans.

Next steps in D.C.

The \$1.9 trillion coronavirus relief measure, called the American Rescue Plan Act, now heads back to the House, where Majority Leader Steny Hoyer said a vote will be held Tuesday. Although some House progressives have complained about changes made by the Senate, none so far have threatened to withhold votes. Democrats aim to have it signed into law within the week. Enactment of the second-largest stimulus bill in U.S. history would hand President Joe Biden his first legislative victory and set the stage for work this spring on a massive infrastructure and manufacturing recovery bill that he wants.

—Associated Press

state and local governments have shed 1.3 million jobs since the pandemic began last year — a loss of more than 1 in 20 government jobs, according to a Washington Post analysis of government data. While tax revenue grew in some states last year, the majority — at least 26 states — were hit with declines.

PANDEMIC RESPONSE

- Tens of billions of dollars will fund coronavirus testing and contact tracing; increasing the size of the public health workforce and funding vaccine distribution and supply chains. Biden said last week there will be enough coronavirus vaccine doses for "every adult in America" by the end of May — a two-month acceleration of his previous projection of July.

NEW PROVISIONS

- The Senate bill provides \$510 million for the FEMA Emergency Food and Shelter Program. That money would support homeless services providers for overnight shelter, meals, one month's rent and mortgage assistance and one month's utility payments.
- The Senate version expands the Employee Retention Tax Credit for start-up companies and other businesses hit by the pandemic.
- The bill also increases the value of the federal COBRA health insurance program from 85% to 100%.
- The bill adds a \$10 billion infrastructure program to help local governments continue crucial capital projects.
- The bill makes all coronavi-

rus-related student loan relief tax-free.

- The bill increases the total amount of Amtrak relief funding by \$200 million.
- For education funding, the bill sets aside \$1.25 billion for summer enrichment; \$1.25 billion for after-school programs and \$3 billion for education technology
- The Senate bill also adds \$8.5 billion in funds for the Provider Relief Program to assist rural health care providers.

How will relief get to you?

Your questions answered, assuming final passage of the legislation:

First things first. Will I get a stimulus check?

If your annual income is less than \$75,000, or you file jointly with a spouse and make less than \$150,000, or file as a head of household and earn less than \$112,500, you are eligible for the full \$1,400, or \$2,800 for those filing jointly.

From there the amount quickly phases out so individuals with annual incomes of \$80,000 or more, joint filers with annual incomes over \$160,000 and heads of households earning more than \$112,500 would not receive anything.

The Senate significantly lowered those income caps from what was passed in the House.

Parents will also receive \$1,400 for each child on their tax returns. Unlike last year's stimulus payments, parents will also get that

amount for adult children, like college students, and those with permanent disabilities, if they are claimed as dependents.

Why did they narrow how many people will get checks?

Several moderate lawmakers raised concerns about sending money to people who may not need it.

The Institute on Taxation and Economic Policy, a progressive research group, estimated 16.4 million fewer Americans nationwide will receive payments under the Senate bill than with the House bill.

Will the money be distributed the same way as last time?

Yes. Within a few weeks of the bill being signed into law, the IRS is expected to issue the bulk of the money directly into Americans' bank accounts, using direct-deposit account information on file. In the previous round of checks, that method proved the fastest.

The IRS will send out debit cards or paper checks to those who do not use direct deposit. Check what information the IRS has on file for you at www.irs.gov/coronavirus/get-my-payment.

The IRS will use the most recent return filed to calculate how much money you receive. This means that if you had a baby last year, or lost your job and brought in less money, file your taxes as soon as possible in order to get the full amount you're owed.

If the IRS processes your 2020 return before sending out the checks, the amount you receive will be based on your 2020 income. If it is

not processed, the amount you receive will be based on your pre-pandemic income.

Will I get the \$300 unemployment supplement if I'm still working, but my hours were cut?

It's an option, but not one that is widely being used.

The bill continues the expanded unemployment benefits approved last year and extends the weekly \$300 federal supplement payment through Sept. 6.

Most states have programs whereby if your employer certifies each week that you are working reduced hours because of the pandemic, the state pays you a portion of what you would qualify for on unemployment, plus the flat \$300 supplement.

But it's a complicated process, and your employer must first seek and receive approval from the state.

Will I get the \$300 even if that means I'll be receiving more in unemployment than I did while working?

Yes, and this has been a major point of contention. With millions of people on unemployment, states don't have the ability to tailor payments so that they replace only lost salary. So in some cases, low-wage earners will receive more from unemployment than they earned when working. Business owners say that makes it difficult to rehire workers.

Do I have to pay taxes on my unemployment benefits?

Usually unemployment compensation is taxable as income. Some states automatically take off the taxes. But other times, laid-off workers find themselves facing a big tax bill when they file their annual return.

In a last-minute revision, the Senate made up to \$10,200 in unemployment compensation tax-free for households with annual incomes under \$150,000. If you qualify and did not already pay taxes on your unemployment, now you don't have to, for up to \$10,200. If you've already filed your 2020 return and paid taxes on the unemployment benefits, you can file an amended return to get the money back.

With all the fraudulent unemployment claims, does the bill make it harder for the self-employed or gig workers to apply?

This bill doesn't, but one passed in December — combined with alarming reports of widespread fraud and a more aggressive approach by the Biden administration — may mean that the process to qualify for unemployment for these categories of workers will become more rigorous.

More than \$40 billion in pandemic-related unemployment compensation was pocketed last year by criminals, including many foreign scam artists impersonating jobless Americans online and applying for the emergency assistance. Most of the problem arose with these new categories of eligible workers who don't have employers who can verify their information.

Congress cracked down in December, requiring states to do more to verify and document the identity and work history of the self-employed, gig workers and contractors seeking unemployment. For some people, it has meant lengthy delays in getting unemployment payments as states implement the new requirements.

■ Compiled from Washington Post and Los Angeles Times reports.

GOP blockade of COVID-19 legislation revives Obama-era strategy

BY LISA MASCARO

AP Congressional Correspondent

WASHINGTON — Tensions were raw ahead of mid-night as Republican leader Mitch McConnell rose in the Senate for the purpose of publicly ridiculing Majority Leader Chuck Schumer over the day-long delay as Democrats argued among themselves over the \$1.9 trillion COVID-19 rescue package.

But 12 hours later on Saturday, it was Schumer, D-N.Y., reveling in the last word, an unabashedly upbeat "help is on the way" to Americans suffering through the pandemic and lockdowns as the Senate prepared to approve the massive package without a single GOP vote.

"Lessons learned: If we have unity, we can do big things,"



AP file

Senate Republican leader Mitch McConnell and his wife, former Secretary of Transportation Elaine Chao, attend Joe Biden's inauguration on Jan. 20. Now in the minority, McConnell still holds the line against Biden's agenda.

Schumer told The Associated Press in an interview after the vote.

Stewardship of the massive pandemic relief package was

an inaugural foray of the new power dynamics of Washington, testing Democratic control of the White House and Congress for the first time in a

decade, and setting the foundation for what's possible for President Joe Biden's agenda.

So much of Biden's success or failure depends on the Senate, where Democrats are in command of an evenly split chamber, 50-50, a majority so delicate that any one senator can upend the legislative agenda. Biden has been telling senators privately their vote on pandemic aid will build momentum for the next priorities. An ambitious infrastructure package is emerging, part of his "Build Back Better" campaign agenda, to bring roads, broadband and green-energy projects nationwide.

While no senators appeared ready to tank Biden's top priority, the next votes could prove more difficult.

Voting rights, immigration law changes and other bills will be subject to filibuster rules that require 60 votes for passage, rather than 51, a potentially impossible hurdle in the face of Republican opposition that is stoking calls to change the process to ensure Biden's priorities don't flame out.

McConnell led Republicans to put up a blockade of opposition, reviving a strategy used the last time Democrats held the sweep of power, when Barack Obama was president, against the 2009 financial crisis rescue package.

After Donald Trump won the White House in 2016, McConnell and Republicans controlling Congress with only a slightly thicker Senate margin used similar procedural tools to pass

the \$2 trillion GOP tax cuts on a party-line vote in 2017. Their effort to repeal and replace the health care law known as "Obamacare" fizzled when a few Republicans voted with Democrats, and McConnell was unable to hold his party together.

From his stately office off the Senate floor, with the lived-in feel of the rump New Yorker, Schumer pulled out his not-so-secret weapon, the flat flip-phone, which he uses for his constant calls keeping in touch with senators on their votes. "Every member of our caucus, from Bernie Sanders to Joe Manchin, realize that we had to pull together, that if we failed, we'd all be hurt," Schumer said, referring to the liberal-most senator from Vermont and the centrist from West Virginia.