

Updated 03/15/2021

Summary of American Rescue Plan Act of 2021 for Businesses

Below is a summary of the American Rescue Plan Act of 2021 (H.R. 1319) for businesses. The bill was signed into law on 3/11/2021.

Grants for restaurants and other food businesses (Restaurant Revitalization Grants)

Grants will be available in the near future for restaurants and other food and beverage businesses that are impacted by current economic conditions. These grants will be processed through the Small Business Administration (SBA).

Extension and expansion of the Families First Coronavirus Response Act (FFCRA) Sick/Leave Pay

- The period that is available to claim the FFCRA Sick/Leave Pay has been extended from March 31, 2021 to September 30, 2021.
- The credit can now include the employer's share of Social Security and Medicare Tax.
- The amount of wages an employer may claim per employee increased from \$10,000 to \$12,000.
- The sick/leave time now includes a provision to allow employees to obtain the COVID-19 vaccine.

Extension and adjustments to the Employee Retention Credit (ERC)

- The Employee Retention Credit has been extended from June 30, 2021 to December 31, 2021.
- Clarifies that the ERC is not available for wages paid with PPP or PPP round two funds, shuttered venue assistance, or the Restaurant Revitalization Grants.

Taxation clarification on Restaurant Revitalization Grants or EIDL Advance

HR 1319 clarifies that Restaurant Revitalization Grants and the EIDL Advance are generally excluded from gross income and other tax-related calculations.

Shuttered Venue Operators Grant (SVOG)

HR 1319 includes an additional \$1.25 billion for the Shuttered Venue Operators Grant (SVOG) program. It also allows eligible entities that receive a first or second draw PPP loan after December 27, 2020 to receive a grant. Previously, receiving or having open applications for both programs had been prohibited. With the passage of the new law, it is possible for venue operators to receive both a PPP loan and an SVOG, as long as the amount of the SVOG is reduced by the amount of PPP funds approved. SVOG eligibility requirements can be found through the SBA's website:

<https://www.sba.gov/sites/default/files/2021-03/SVOG%20Eligibility%20Requirements-508.pdf>