UNDERSTANDING AND ACCESSING
AMERICAN RESCUE PLAN RELIEF

Tuesday, March 16

U.S. TRAVEL ASSOCIATION®
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AMERICAN RESCUE PLAN

-$1.9 TRILLION relief bill signed into law last Thursday.
- Includes everything from food and rental assistance to school funding and changes to healthcare programs.

KEY HIGHLIGHTS FOR THE TRAVEL INDUSTRY

- $62 BILLION for COVID-19 testing, contact tracing, and vaccine distribution
- $350 BILLION to state and local governments
- $3 BILLION for EDA grants
- EXTENSION AND EXPANSION of the Employee Retention Tax Credit (ERTC) through the end of 2021
- $7.25 BILLION for PPP (but same March 31st deadline)
  - Allows businesses to use both the PPP and the Shuttered Venue program
- $15 BILLION for airlines
- $8 BILLION for airports, with an additional $800 MILLION for airport concessionaires
- $28 BILLION for restaurants
- $1.7 BILLION for Amtrak
NEXT STEPS

- Biden Administration will need to issue regulations implementing the provisions.
  - Could take anywhere from 2 weeks to 3 months.
- PPP Extension Act—to extend PPP application deadline to May 31st.
- Next recovery package expected to come out between May and September.
  - Likely to focus on infrastructure spending.
  - Might require budget offsets.
  - Opportunity to enact tax credits to stimulate business and leisure travel (Hospitality and Commerce Job Recovery Act).
- Engage with the Administration to reopen international travel.
- Press the Administration, Governors, local officials, and business executives to restore professional meetings and events.
reon Glenn
Senior Director, Government Relations
U.S. Travel Association
EMPLOYEE RETENTION TAX CREDIT (ERTC)

Extends and expands the ERTC through the end of 2021.

- Expands the credit to startups and allows employers of any size to use the credit to cover non-furloughed employees if they experience at least a 90% decline in revenue.

- Allows employers to calculate eligibility using losses experienced in the preceding calendar quarter, rather than just the current calendar quarter.
  - Generally, to claim the credit, employers must experience at least a 20% decline in revenue in a quarter this year compared to the same quarter in 2019.
PAYCHECK PROTECTION PROGRAM (PPP)

Provides an additional $7.25 billion in PPP loans.

- The application deadline is still currently March 31st.
- Nonprofit organizations that exceed the employee size limits (500 or 300) can apply for a First Draw Loan if they don’t have more than the applicable size limit at each physical location of the organization.
SHUTTERED VENUE OPERATORS GRANT PROGRAM

- No longer excludes entities that receive a PPP loan.
- The program is still not open to applications but is expected to open before the end of the month.
- You should register with the System for Award Management (SAM) in advance of the program’s opening.

To get started, go to Sam.directory
RESTAURANT REVITALIZATION FUND

Provides $28.6 billion in grants to restaurants, bars, tasting rooms and other food service businesses to cover operational expenses incurred between February 15, 2020 and December 31, 2021.

- SBA is authorized to extend the covered period to December 31, 2023.
- The grant amount is based on pandemic-related losses, up to $10 million per applicant (or $5 million if the applicant only has one physical location).
  - Grant amounts will be reduced by any amount previously received under PPP.
- During the initial 21 days of the program, only small businesses owned by the following can apply:
  - Women
  - Veterans
  - African Americans
  - Hispanic Americans
  - Native Americans
  - Asian Americans
- You should register with the System for Award Management (SAM) in advance of the program’s opening.

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Erik Hansen
Vice President, Government Relations
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General Parameters

▷ Provides $350 billion to state and local governments to address the fiscal effects of the pandemic through 2024.
  ◀ A $220 billion fund for States, tribal governments, and U.S. territories.
  ◀ A $130 billion fund for local governments.

▷ Payments will be split into 2 tranches, distributed at least 12 months apart.
  Before each payment, state and local governments must certify that the funds are needed to cover eligible uses.
  ◀ Funds will be distributed no later than 60 days after such certification.

▷ Recipients can transfer funds to any private nonprofit organization, tribal organization, transit corporation, or special-purpose unit of a state or local government.
Eligible Uses

- Funds can only be used for the following purposes until December 31, 2024:
  - To respond to the COVID-19 public health emergency.
  - To respond to the negative economic impacts of the pandemic, including aid to impacted industries such as tourism, travel, and hospitality.
  - To cover premium pay to workers performing essential tasks during the pandemic.
  - To cover government revenue losses that are due to the pandemic.
  - To make necessary investments in water, sewer, or broadband infrastructure.

- States CANNOT use the funds to cover tax cuts, tax deferrals, or pension payments made between March 3, 2021 and the date in which the funds are exhausted.
Application Process

▷ Once the funds are distributed, state and local governments will have discretion in how they spend the funds.

▷ The application process will likely be similar to the process for the Coronavirus Relief Fund, requiring interested parties to request financial assistance directly from their state or local government.

▷ We recommend that you ask both your state and local government for access to these funds.
EDA GRANTS

▷ Provides $3 billion to EDA for Economic Adjustment Assistance grants.

▷ At least 25% ($750 million) is set aside for communities and States that have suffered economic injury due to job losses in the travel, tourism, or outdoor recreation sectors.

▷ Grants will be awarded on a rolling, competitive basis.

▷ Eligible applicants include:
  • Nonprofits
  • EDA-designated Economic Development Districts
  • State or local governments
  • Indian tribes or a consortium of Indian tribes
  • Political subdivision of a state or local government, including a consortium of political subdivisions

▷ General application requirements, such as support from State or local government authorities, will likely remain the same.
Visit ustravel.org/ReliefResources to access these and other resources:

- Relief Bill Summary
- Relief Bill FAQ
- Robust Suite of Program Fact Sheets
- Travel-related Highlights of the American Rescue Plan