

Understanding and Accessing **COVID-19 RELIEF FOR THE TRAVEL INDUSTRY**



January 7, 2021

U.S. TRAVEL
ASSOCIATION®

PLEASE NOTE

A silhouette of the U.S. Capitol building is visible in the background of the top banner, set against a blue sky.

Today's recording, slides and referenced materials **will be available** following the webinar.

Please **submit questions** throughout the presentation for a Q+A session at the end.



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WHAT WILL BE COVERED...

- ▷ **REAL ID** Transition
- ▷ **Coronavirus Relief** Fund
- ▷ **Transportation**
- ▷ Miscellaneous **Tax Provisions**
- ▷ **Employee Retention Tax Credit** (ERTC)
- ▷ **Live Venue Grant** Program
- ▷ **Economic Injury Disaster Loan** (EIDL) Program
- ▷ **Paycheck Protection Program** (PPP)



WILL BROWN

**Senior Director,
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H2B VISAS
REAL ID TRANSITION
CUSTOMS AND BORDER PROTECTIONS





H2B VISAS

- ▶ **Continues the current policy** of allowing the Secretary to issue H2B visas above the cap
- ▶ **Subjects only new H2B issuances to the statutory cap**
- ▶ **Extends the definition of ‘season’ to 10 months**, elongating the length seasonal workers can work in the U.S.

REAL ID TRANSITION

- ▶ **REAL ID Modernization Act** was included in the legislation
- ▶ Allows the **issuance of REAL ID compliant digital drivers licenses**
- ▶ Streamlines REAL ID application
- ▶ Significant step toward ensuring the implementation of REAL ID **does not reverse travel recovery**



CUSTOMS AND BORDER PROTECTIONS

- ▶ Extends CBP's ability to accept donations of property and services





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CORONAVIRUS RELIEF FUND

TRANSPORTATION





CORONAVIRUS RELIEF FUND

- ▶ **No new funding or flexibility** was made available
- ▶ The **deadline to spend previously appropriated funds extended to December 31, 2021**
- ▶ If a business or DMO has received CRF funding, they are **still eligible to apply for PPP loans**
- ▶ Note: PPP loan proceeds **may not** be used to cover the same expenses that CRF funds were provided for

TRANSPORTATION

AIRPORTS

- ▶ **\$1.75 billion in grants** for commercial service airports
- ▶ **\$200 million for airport concessionaire** relief

AIRLINES

- ▶ **Provides \$15 billion for airlines** to cover worker payroll and benefits



TRANSPORTATION

BUSES

- ▶ Provides **\$2 billion** for passenger transportation services

HIGHWAYS

- ▶ Provides **\$10 billion** for highways



TRANSPORTATION

TRANSIT

- ▶ Provides **\$14 billion for Transit Infrastructure Grants** to prevent, prepare for, and respond to COVID-19

AMTRAK

- ▶ Provides **\$1 billion for Amtrak**





TROUBLED DEBT RESTRUCTURING

- ▶ **Continues the suspension of certain accounting and reporting requirements** for Troubled Debt Restructuring (TDR) through January 1, 2022

MAIN STREET LENDING PROGRAM

- ▶ **Rescinds \$429 billion from CARES Act lending programs** administered by the Federal Reserve



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MISCELLANEOUS TAX PROVISIONS
EMPLOYEE RETENTION TAX CREDIT (ERTC)
LIVE VENUE GRANT PROGRAM



MISCELLANEOUS TAX PROVISIONS

BUSINESS MEAL DEDUCTION

- ▶ Allows businesses to fully deduct food and beverage expenses incurred during the normal course of business

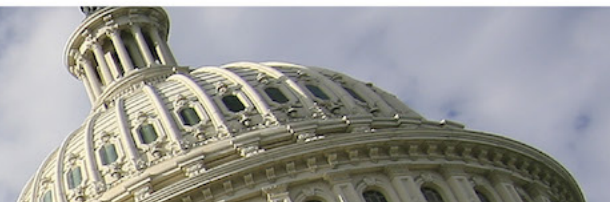
EMPLOYEE PAYROLL TAX DEFERRAL

- ▶ Extends the time that employers have to pay back their employee's portion of payroll taxes to December 31, 2021



EMPLOYEE RETENTION TAX CREDIT (ERTC)

- ▶ **Extends the time that employers have to pay back their employee's portion of payroll taxes** to December 31, 2021
- ▶ Lowers the required revenue decline to be eligible for the credit
- ▶ Extends the ERTC through July 1, 2021
- ▶ Increases the threshold for employers to be considered “small employers”
- ▶ Allows PPP recipients to claim the ERTC as long as they do not claim the credit for any compensation that was covered by a forgiven PPP loan





LIVE VENUE GRANT PROGRAM

The COVID relief bill established a new grant program for live venues and certain other entities

▶ **Eligible entities:**

- Live Entertainment Venues
- Performing Arts Centers
- Theatrical Producers
- Nonprofit Museums (including zoos, aquariums, arboretums, and botanical gardens)
- Movie Theaters
- Talent Representatives

▶ Conditions and eligible uses apply

▶ Grant amount based on 45% of employer's gross revenue in 2019, up to \$10 million

ECONOMIC INJURY DISASTER LOAN (EIDL) PROGRAM



EIDLs are available to any entity experiencing a decline in revenue due to the pandemic.

- ▶ Apply directly with the Small Business Administration (SBA)
- ▶ EIDL advances are not treated as gross income for tax purposes
- ▶ SBA directed to approve or deny within 21 days of receiving an application
- ▶ SBA directed to provide applicants with an explanation if they deny an EIDL Advance

\$20 BILLION is set aside to guarantee the full \$10,000 EIDL advance for any eligible entity that is located in a low-income community, has 300 employees or less, and experiences at least a 30% decline in revenue in 2020 or 2021 compared to before the pandemic



PAYCHECK PROTECTION PROGRAM (PPP)



WHO IS ELIGIBLE?

PPP 1 (First Draw) and PPP 2 (Second Draw)

Businesses

Tribal Businesses

Quasi-governmental & 501(c) DMOs

501(c)(3) Organizations

501(c)(6) Organizations

501(c)(19) Organizations

Self-Employed/Indep. Contractors



ELIGIBILITY CONDITIONS

PPP 1 (First Draw)	PPP 2 (Second Draw)
Have 500 employees or less (with exceptions for food and lodging businesses with multiple locations).	Have 300 employees or less (with exceptions for food and lodging businesses with multiple locations).
Certify that current economic conditions necessitate the loan.	Experience at least a 25% decline in revenue in a quarter in 2020, compared to the same quarter in 2019.
	Exhausted the previous PPP loan.

To be eligible for PPP, DMOs must also meet ALL of the following conditions:

- Must be a nonprofit entity that is tax exempt under 501(c) of the tax code or is part of a State, county, or local government (or an instrumentality of such entities);
- Must engage in marketing and promoting communities and facilities to businesses and leisure travelers;
- Cannot receive more than 15% of your **revenue** from lobbying activities;
- Lobbying activities cannot amount to more than 15% of your **total activities**; AND
- Did not spend more than \$1M on lobbying activities during the most recent tax year.



LOAN APPLICATION PROCESS

- ▶ Application process for PPP2 is the same as PPP1
- ▶ **Simplified loan application process** for those seeking loans of \$150,000 or less
- ▶ The application deadline for PPP1 and PPP2 is **March 31, 2021**
- ▶ **Maximum loan sizes vary**
 - For most: 2.5x payroll up to \$2 million
 - For food and lodging: 3.5x payroll up to \$2 million

Visit ustravel.org/ReliefResources for more info and answers to frequently asked questions.

LOAN FEATURES

- ▶ **Tax-free loan forgiveness** for amounts used to cover eligible expenses
- ▶ At least **60% of loan forgiveness** has to be used on payroll in order to get loan forgiveness
- ▶ Any expense paid for with PPP funds can be deducted if typically a deductible expense
- ▶ All loan and guarantee **fees are waived**





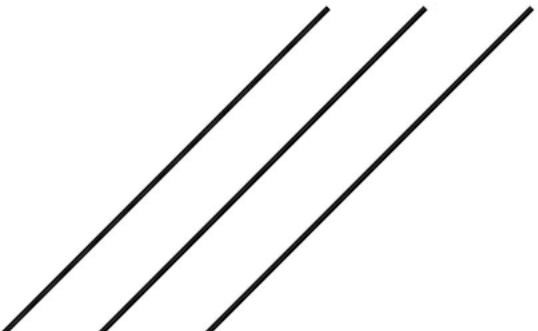
COVERED PERIOD

- ▶ Any period the borrower chooses that is between 8 weeks and 24 weeks after the loan is issued

LOAN FORGIVENESS

- ▶ Borrowers must submit an application to their lender with necessary documentation
- ▶ Loan forgiveness applications must be accepted or denied within 60 days
- ▶ Loan forgiveness amount is reduced by any decline in employment or wages over the “covered period,” compared to the “applicable period”

Visit **ustravel.org/ReliefResources** for more information
and answers to frequently asked questions.



Q + A

