

U.S. TRAVEL ASSOCIATION[®]

Hospitality and Commerce Job Recovery Act of 2021

Section-by-Section Summary

SEC. 2. ESTABLISHMENT OF TAX CREDIT TO SUPPORT THE CONVENTION AND TRADE SHOW INDUSTRY: Provides a general business credit (or a refundable payroll tax credit in the case of nonprofit organizations) for the cost of attending or hosting a convention, business meeting, or trade show in the United States between January 1, 2022 and December 31, 2024.

- Specifically, creates a convention and trade show restart credit equal to:
 - 50% of the qualified participation costs paid or incurred by the taxpayer, and
 - 100% of the qualified restart costs paid or incurred by an eligible provider.
- Qualified participation costs would be defined as any cost incurred to attend or participate in a qualified event, including registration fees, lodging, and costs associated with trade show exhibitions.
- Qualified restart costs would be defined as any cost associated with reopening facilities designed for conventions, business meetings, or trade shows, if the facility was forced to close down or reduce operations due to the COVID-19 pandemic—including any renovation, remediation, personal protective equipment, cleaning, testing, or labor cost needed to prevent the spread of COVID-19.

SEC. 3. EXTENSION OF EMPLOYEE RETENTION TAX CREDIT: Extends the Employee Retention Tax Credit from July 1, 2021 to January 1, 2022.

SEC. 4. REPEAL OF LIMITATION ON ENTERTAINMENT, ETC. EXPENSES RELATED TO TRADE OR BUSINESS: Temporarily restores the Entertainment Business Expense Deduction by repealing the changes made by the 2017 Tax Cuts and Jobs Act for taxable years after December 31, 2020 and before January 1, 2023.

SEC. 5. ESTABLISHMENT OF TAX CREDIT TO SUPPORT THE RESTAURANT INDUSTRY: Provides a general business tax credit for restaurants or food service businesses (including carry-out food businesses whose primary operations function is prepared foods), covering any cost associated with reopening or increasing service at an establishment forced to close down or reduce operations due to the COVID-19 pandemic—including any renovation, remediation, testing, or labor cost needed to prevent the spread of COVID-19. Credit would be effective between the date of enactment and December 31, 2022.

- Specifically, creates a restaurant and dining restart credit equal to the qualified restart costs paid or incurred by the taxpayer.
- Qualified restart costs include costs in reopening a trade or business property or increasing meal and beverage services provided at such property including renovation, remediation, additional labor, or rental costs or testing of employees.

SEC. 6. CREDIT FOR TRAVEL EXPENDITURES: Provides an individual tax credit for qualified travel expenses occurring in the United States between January 1, 2021 and December 31, 2023.

- Specifically, creates a credit for individuals worth 50 percent of qualified travel expenses up to a maximum of \$1,500 per household plus \$500 for each qualifying child (providing a maximum

benefit of \$3,000 for a family of five). The credit begins phasing out for individuals making over \$75,000 per year (\$150,000 for married couples).

- Qualified travel expenses would include any travel expense above \$25 incurred at least 50 miles from the individual's home and includes an overnight stay, including expenses related to meals, lodging, recreation, transportation, amusement or entertainment, and gasoline.
- The tax credit can be carried back to the previous tax year, to provide a for a quicker benefit.

SEC. 7. ESTABLISHMENT OF TEMPORARY TAX CREDIT FOR UNMERCHANTABLE

INVENTORY: Provides a temporary credit for unmerchantable inventory between March 13, 2020 and September 30, 2020 at 90 percent of the qualified unmerchantable food and beverage costs for any taxpayer engaged in active trade of sale of food or beverage as a manufacturer, importer, wholesale distributor, or retailer.