

UNDERSTANDING AND ACCESSING AMERICAN RESCUE PLAN RELIEF



Tuesday, March 16

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oger Dow

President and CEO
U.S. Travel Association



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Tori Emerson Barnes

Executive Vice President,
Public Affairs and Policy
U.S. Travel Association

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.**



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Leon 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
 - African Americans
 - Native Americans
 - Veterans
 - Hispanic 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
U.S. Travel Association

STATE AND LOCAL CORONAVIRUS FISCAL RECOVERY FUNDS

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.

STATE AND LOCAL CORONAVIRUS FISCAL RECOVERY FUNDS

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.**

STATE AND LOCAL CORONAVIRUS FISCAL RECOVERY FUNDS

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.**

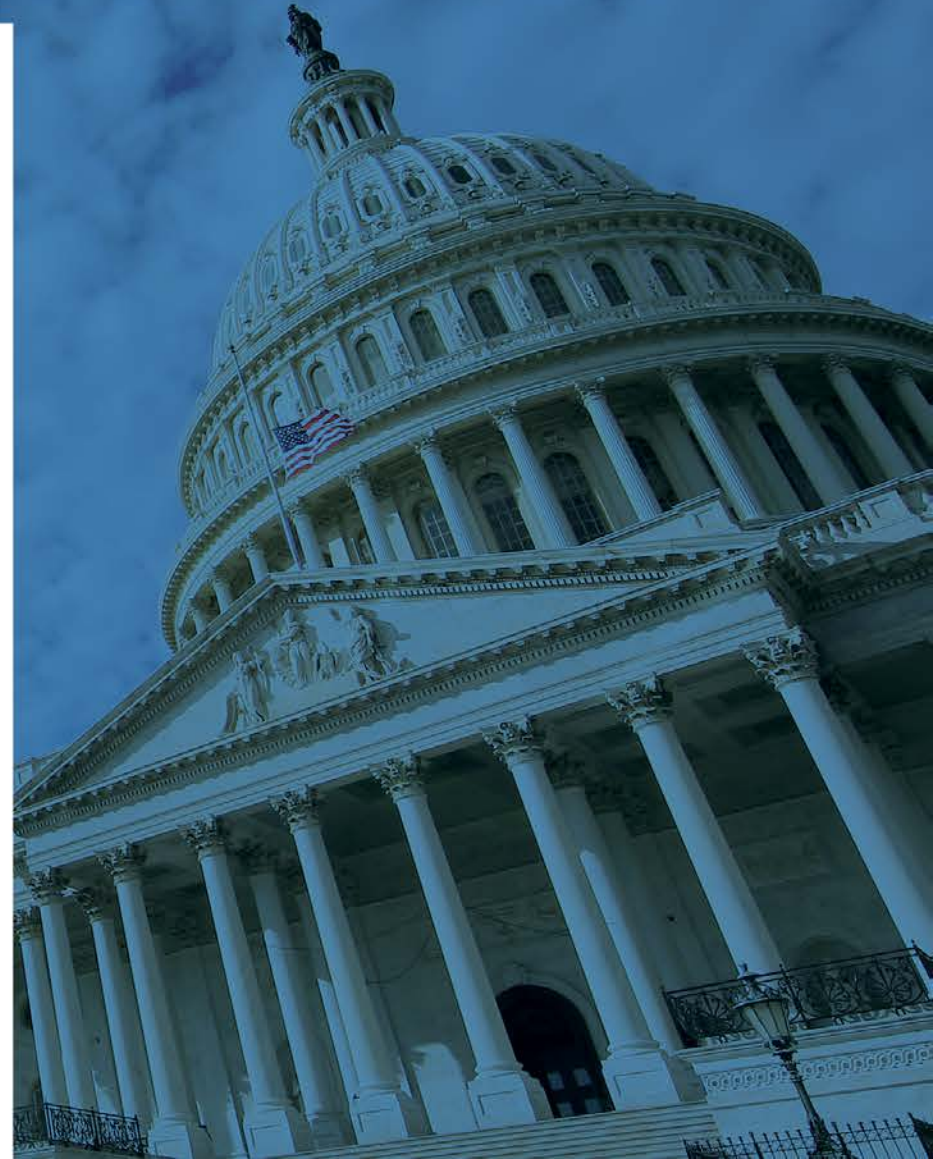
EDA GRANTS

- ▷ **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.

AVAILABLE RESOURCES & INFORMATION

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



A photograph of a natural rock arch made of layered red sandstone. The arch frames a view of a vast desert landscape with rolling hills and distant mountains under a clear blue sky. The foreground shows the textured surface of the rock and some smaller rock formations. A semi-transparent dark blue horizontal band is overlaid across the middle of the image, containing the text 'Q & A' in white.

Q & A