



Covid-19

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**Coronavirus / COVID-19
Response Team**

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Federal Stimulus Bill (Phase 3)
*** No Global Agreement Announced ***
*** Based on Latest Reporting ***

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Agenda

- Business Liquidity Programs
- Federal, State, And Local Governments
- Individuals and Families
- Tax Proposals
- Other Factors and Considerations

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Business Liquidity Programs

- \$[425] billion available for loans and loan guarantees, managed by Treasury
- Treasury's discretion over funds is biggest issue in continued negotiations
- Stock buy-back restrictions?
- Employee retention requirements?
- \$[4.0] trillion in Fed liquidity to support the economy and broad-based lending programs

Business Liquidity Programs

- \$[350] billion in small business retention loan guarantees
- Support cash flow to retain employees and keep up with overhead
- Loans would be forgiven if borrowers retain employees through crisis
- Need banks and credit unions to participate in program
- \$[4.0] trillion in Fed liquidity to support the economy and broad-based lending programs

Business Liquidity Programs

- \$[50] billion for passenger airlines
- \$[8] billion for cargo air carriers
- \$[10] billion for airports
- \$[17] billion for companies critical to U.S. national security
- \$[100+] billion for health care providers/initiatives
 - \$[75] billion for hospitals
 - \$[20] billion for veterans health care
 - \$[11] billion for vaccines, therapies and diagnostics
 - \$[4.5] billion for CDC

Federal, State, & Local Governments

- \$[250] billion expansion and enhancement of unemployment insurance funds
- \$[186] billion in “Stabilization Funds” for state governments
- \$[10] billion in block grants to states
- \$[12] billion for K-12 education
- \$[6] billion for higher education
- \$[5] billion for FEMA disaster relief fund
- \$[12] billion for Pentagon
- \$[20] billion for public transportation

Individuals and Families

- \$[250] billion for direct payments/deposits to individuals/families
 - Would likely be means-tested (est. approximately \$3,000 for the average family of four)
 - \$1,200 per qualifying adult and \$500 per child
- Benefits for front line health workers?
- Increased Social Security Benefits?

Tax Proposals

- Postpone all corporate estimated tax payments until October 15, 2020
- Postpone employer-side payroll taxes and pay over two years
- Allow carryback of net operating losses from 2018, 2019 and 2020 to five prior years
- Modify pass-through loss limitations to benefit from NOL carrybacks
- Accelerate payment of AMT credit carryforwards

Tax Proposals

- Immediate expensing of building improvements
- Relaxing of limitations on interest deductions
- Suspend most aviation excise taxes through at least December 31, 2020
- Waive 10% penalty on early 401(k) withdrawals for Coronavirus-related purposes
- Allow \$300 charitable contribution deduction for individuals who do not itemize

Other Factors / Considerations

- Treasury Secretary Mnuchin stated that the bill is based on a “10-12 week scenario”
 - Stated Administration would come back to Congress at 10 week mark if still in crisis
- Total cost of bill estimated to in the range of \$1.5-2.0 trillion
- Vote for Senate bill to proceed scheduled for Monday afternoon
- House leadership has indicated it will work on its own bill



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