

116TH CONGRESS
2D SESSION

H. R. 6409

To establish the Emergency Social Insurance Program in the Social Security Administration and Small Business Administration in order to address the injury concerns of certain small businesses and idle workers disproportionately affected by the COVID-19 crisis.

IN THE HOUSE OF REPRESENTATIVES

MARCH 27, 2020

Ms. OMAR (for herself, Ms. NORTON, Ms. SCHAKOWSKY, and Ms. TLAIB) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Small Business, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish the Emergency Social Insurance Program in the Social Security Administration and Small Business Administration in order to address the injury concerns of certain small businesses and idle workers disproportionately affected by the COVID-19 crisis.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Assistance for Busi-
3 nesses and Local Economies Act” or the “ABLE Act of
4 2020”.

5 **SEC. 2. ESTABLISHMENT AND COORDINATION OF THE**
6 **EMERGENCY SOCIAL INSURANCE PROGRAM.**

7 (a) IN GENERAL.—The Administrator of the Social
8 Security Administration and the Administrator of the
9 Small Business Administration, under the direction of the
10 Secretary of Labor and the Secretary of the Treasury, re-
11 spectively, in consultation with the Commissioner of the
12 Internal Revenue Service, shall establish a joint program
13 to efficiently coordinate and deliver direct payments to af-
14 fected small businesses and affected idle workers during
15 the COVID-19 crisis.

16 (b) ESTABLISHMENT.—The Emergency Social Insur-
17 ance Program shall be a dual approach for direct govern-
18 ment assistance to meet full salary need of lost wages
19 faced by affected idle workers and to meet full mainte-
20 nance need of output losses faced by affected small busi-
21 nesses in order to stabilize and shelter the economy from
22 COVID-19.

23 (c) COORDINATION.—The Social Security Adminis-
24 tration and the Department of Labor shall collaborate
25 with States to increase and maximize unemployment in-
26 surance benefits for affected idle workers through existing

1 State agency mechanisms. The Small Business Adminis-
2 tration and the Department of the Treasury (with the In-
3 ternal Revenue Service) shall be responsible for estab-
4 lishing and managing a \$500 billion fund for direct eco-
5 nomic injury grants for qualifying small businesses, with
6 IRS assisting in verification and oversight of awards’
7 amounts and uses.

8 (d) DEFINITIONS.—In this Act:

9 (1) SSA; SSA ADMINISTRATOR; SBA; SBA AD-
10 MINISTRATOR; IRS; IRS COMMISSIONER.—The terms
11 “SSA” and “SSA Administrator” mean the Social
12 Security Administration and the Administrator
13 thereof, the terms “SBA” and “SBA Administrator”
14 mean the Small Business Administration and the
15 Administrator thereof, the terms “IRS” and “IRS
16 Commissioner” mean the Internal Revenue Service
17 and the Commissioner thereof, respectively.

18 (2) COVID-19 CRISIS.—The term “COVID-19
19 crisis” means the period that begins upon the date
20 of the enactment of this Act and ends on the date
21 of the termination by the Federal Emergency Man-
22 agement Agency of the emergency declared on
23 March 13, 2020, by the President under the Robert
24 T. Stafford Disaster Relief and Emergency Assist-

1 ance Act (42 U.S.C. 4121 et seq.) relating to the
2 Coronavirus Disease 2019 (COVID-19) pandemic.

3 (3) AFFECTED IDLE WORKER.—The term “af-
4 fected idle worker” means an individual who, as a
5 result of COVID-19—

6 (A) has no rights to regular compensation
7 with respect to a week under State law or any
8 other State unemployment compensation law or
9 to compensation under any other Federal law;

10 (B) is not receiving any State or private
11 paid leave with respect to such week; and

12 (C) can attest that—

13 (i) the individual is not able or avail-
14 able to work due to COVID-19 with re-
15 spect to such week;

16 (ii) the individual would be able and
17 available to work during such week, if not
18 for COVID-19; because

19 (iii) the individual has a current diag-
20 nosis of COVID-19;

21 (iv) the individual is under quarantine
22 (including self-imposed quarantine), at the
23 instruction of a health care provider, em-
24 ployer, or a local, State, or Federal official,

1 in order to prevent the spread of COVID-
2 19;

3 (v) the individual is unable to engage
4 in self-employment and had past net earn-
5 ings from self-employment (as defined in
6 section 1402(a) of the Internal Revenue
7 Code of 1986) of not less than \$2500 dur-
8 ing the 6-month period ending on the date
9 of enactment of this Act;

10 (vi) the individual had a contract or
11 other offer of employment suspended or re-
12 scinded due to COVID-19;

13 (vii) the individual is engaged in
14 caregiving (without compensation) for an
15 individual who has a current diagnosis of
16 COVID-19 or is under quarantine; or

17 (viii) the individual is engaged in
18 caregiving (without compensation), because
19 of the COVID-19-related closing of a
20 school or other care facility or care pro-
21 gram, for a child or other individual unable
22 to provide self-care.

23 (4) AFFECTED SMALL BUSINESS.—The term
24 “affected small business” means—

1 (A) a small business concern (as defined
2 under section 3 of the Small Business Act (15
3 U.S.C. 636));

4 (B) a family farm;

5 (C) an independent contractor; and

6 (D) any other affected additional covered
7 entity, under section 5 of this Act, to which the
8 Small Business Administration determines
9 grants would promote full employment and fi-
10 nancial stability during the COVID-19 crisis.

11 (5) AFFECTED SMALL BUSINESS CONCERN.—

12 The term “affected small business concern” means
13 a small business concern that has experienced, as a
14 result of COVID-19—

15 (A) supply chain disruptions, including
16 changes in—

17 (i) quantity and lead time, including
18 the number of shipments and components
19 and delays in shipments;

20 (ii) quality, including shortages in
21 supply for quality control reasons; and

22 (iii) technology, including a com-
23 promised payment network;

24 (B) staffing challenges;

1 (C) a decrease in profits, sales, or cus-
 2 tomers; or

3 (D) a closure.

4 **SEC. 3. ENHANCEMENT OF EMERGENCY COVID-19 UNEM-**
 5 **LOYMENT COMPENSATION FOR AFFECTED**
 6 **IDLE WORKERS.**

7 (a) IN GENERAL.—The Administrator of the Social
 8 Security Administration (referred to as the “SSA Admin-
 9 istrator” in this section), in consultation with the Sec-
 10 retary of Labor, shall assist States to offer expanded un-
 11 employment insurance for workers reporting as idle or un-
 12 employed, as a result of the public health emergency de-
 13 clared because of COVID-19.

14 (b) IDLE DEFINED.—The term “idle” means a work-
 15 er facing substantial economic uncertainty and hardship
 16 due the COVID-19 and its social distancing, including but
 17 not limited to—

18 (1) food service industry workers and hospi-
 19 tality workers;

20 (2) domestic workers and tipped workers;

21 (3) gig economy workers, freelancers, and other
 22 self-employed individuals; and

23 (4) independent contractors.

24 (c) FEDERAL-STATE AGREEMENTS.—Any State
 25 which desires to do so may enter into and participate in

1 an agreement under this section with the Secretary of
2 Labor (hereinafter this section referred to as the “Sec-
3 retary”). Any State which is a party to an agreement
4 under this section may, upon providing 30 days’ written
5 notice to the Secretary, terminate such agreement.

6 (d) PROVISIONS OF AGREEMENT.—

7 (1) IN GENERAL.—Any agreement under this
8 section shall provide the following:

9 (A) EMERGENCY COVID-19 UNEMPLOY-
10 MENT COMPENSATION.—The State agency of
11 the State will make payments of regular com-
12 pensation to individuals in amounts and to the
13 extent that they would be determined if that
14 State law of the State were applied, with re-
15 spect to any week for which the individual is
16 (disregarding this section) otherwise entitled
17 under the State law to receive regular com-
18 pensation, as if such State law had been modi-
19 fied in a manner such that the amount of reg-
20 ular compensation (including dependents’ allow-
21 ances) payable for any week shall be equal to
22 meet 100 percent salary—

23 (i) the amount determined under the
24 State law (before the application of this
25 paragraph), plus additional amount caps

(referred to as “Emergency COVID-19 Unemployment Compensation” in this section), including—

(ii) up to an additional \$5,000 per month for all affected idle workers of such affected small businesses (described in section 3 of this Act);

(iii) up to an additional \$4,000 per month for all affected idle tipped workers, certain domestic workers, and independent contractors; and

(iv) up to an additional \$3,000 per month for all other affected and eligible self-employed individuals, such as gig economy workers and freelancers.

(B) EMERGENCY COVID-19 SHORT-TIME COMPENSATION.—In the case of a State that provides under the State law for the payment of short-time compensation under a short-time compensation program (as defined in section 3306(v) of the Internal Revenue Code of 1986), the State agency of the State will make payments of compensation to employees participating in such program in amounts and to the extent that they would be determined under

1 such program if the State law of the State were
2 applied with respect to any week for which the
3 individual is (disregarding this section) other-
4 wise eligible under the program under the State
5 law to receive such compensation, as if such
6 State law had been modified in a manner such
7 that the amount of compensation payable for
8 any week shall be equal to the amount deter-
9 mined under the State law (before the applica-
10 tion of this paragraph) plus half the eligible
11 amount of the caps in subparagraph (A) in this
12 section (d).

13 (2) ALLOWABLE METHODS OF PAYMENT.—Any
14 Emergency COVID-19 Unemployment Compensa-
15 tion or Emergency COVID-19 Short-Time Com-
16 pensation provided for in the accordance with para-
17 graph (1) shall be payable either—

18 (A) as an amount which is paid at the
19 same time and in the same manner as any com-
20 pensation otherwise payable for the week in-
21 volved; or

22 (B) at the option of the State, by pay-
23 ments which are made separately from, but on
24 the same weekly basis as, any compensation
25 otherwise payable.

1 (e) NONREDUCTION RULE.—Any agreement under
2 this section shall not apply (or shall cease to apply) with
3 respect to a State upon a determination by the Secretary
4 that the method governing computation of regular com-
5 pensation under the State law of that State has been
6 modified in a manner such that the maximum benefit enti-
7 tlement and the average weekly benefit amount of regular
8 compensation (or short-time compensation in the case of
9 a State described in subsection (d)(1)(B) which will be
10 payable during the period of the agreement (determined
11 disregarding any Emergency COVID-19 Unemployment
12 Compensation or Emergency COVID-19 Short-time Com-
13 pensation) will be less than the maximum benefit entitle-
14 ment and the average weekly benefit amount of regular
15 compensation (or short-time compensation) which would
16 otherwise have been payable during such period under the
17 State law, as in effect on January 1, 2020.

18 (f) PAYMENTS TO STATES.—

19 (1) IN GENERAL.—

20 (A) FULL REIMBURSEMENT.—There shall
21 be paid to each State which has entered into an
22 agreement under this section an amount equal
23 to 100 percent of—

24 (i) the total amount of Emergency
25 COVID-19 Unemployment Compensation

1 paid to individuals by the State pursuant
2 to such agreement;

3 (ii) the total amount of Emergency
4 COVID-19 Short-Time Compensation paid
5 to individuals. By the State pursuant to
6 such agreement; and

7 (iii) any additional administrative ex-
8 penses incurred by the State by reason of
9 such agreement (as determined by the Sec-
10 retary).

11 (B) TERMS OF PAYMENTS.—Sums payable
12 to any State by reason of such State's having
13 an agreement under this section shall be pay-
14 able, either in advance or by way of reimburse-
15 ment (as determined by the Secretary), in such
16 amounts as the Secretary Estimates that State
17 will be entitled to receive under this section for
18 each calendar month, reduced or increased, as
19 the case may be, by any amount by which the
20 Secretary finds that his estimates for any prior
21 calendar month were greater or less than the
22 amount which should have been paid to the
23 State. Such estimates may be made on the
24 basis of such statistical, sampling, or other

1 method as may be agreed upon by the Secretary
2 and the State agency of the State involved.

3 (2) CERTIFICATIONS.—The Secretary shall
4 from time to time certify to the Secretary of the
5 Treasury for payment to each State the sums pay-
6 able to such State under this section.

7 (3) APPROPRIATION.—There are appropriated
8 from the general fund of the Treasury, without fiscal
9 year limitation, such sums as may be necessary for
10 purposes of this subsection.

11 (g) APPLICABILITY.—

12 (1) IN GENERAL.—An agreement entered into
13 under this section shall apply to weeks of unemploy-
14 ment—

15 (A) beginning on or after March 1, 2020;

16 and

17 (B) ending on or before January 1, 2021.

18 (2) DURATION OF BENEFIT PAYMENTS.—An in-
19 dividual who becomes entitled to such agreement will
20 receive payments from a State or Agency for not
21 more than 25 weeks.

22 (3) TRANSITION RULE FOR INDIVIDUALS RE-
23 MAINING ENTITLED TO REGULAR COMPENSATION AS
24 OF APRIL 30, 2021.—In the case of any individual
25 who, as of the date specified in paragraph (1)(B),

1 has not yet exhausted all rights to regular com-
2 pensation under the State law of a State with re-
3 spect to a benefit year that began before such date
4 (or short-time compensation in the case of State de-
5 scribed in subsection (d)(1)(B) Emergency COVID-
6 19 Unemployment Compensation or Emergency
7 COVID-19 Short-Time Compensation provided for
8 in the accordance with paragraph (1) shall be pay-
9 able to such individual for any week beginning on or
10 after such date for which the individual is otherwise
11 eligible for regular compensation (or short-time com-
12 pensation) with respect to such benefit year.

13 (4) TERMINATION.—Notwithstanding any other
14 provision of this subsection, no Emergency COVID-
15 19 Unemployment Compensation or Emergency
16 COVID-19 Short-Time Compensation shall be pay-
17 able for any week beginning after April 30, 2021,
18 but Congress has the option to end this program
19 earlier or extend it as well.

20 (h) FRAUD AND OVERPAYMENTS.—

21 (1) IN GENERAL.—If an individual knowingly
22 has made, or caused to be made by another, a false
23 statement or representation of a material fact, or
24 knowingly has failed, or caused another to fail, to
25 disclose a material fact, and as a result of such false

1 statement or representation of such nondisclosure
2 such individual has received an amount of Emer-
3 gency COVID-19 Unemployment Compensation or
4 Emergency COVID-19 Short-Time Compensation to
5 which such individual was not entitled, such indi-
6 vidual—

7 (A) shall be ineligible for further Emer-
8 gency COVID-19 Unemployment Compensation
9 or Emergency COVID-19 Short-Time Com-
10 pensation in accordance with provisions of the
11 applicable State unemployment compensation
12 law relating to fraud in connection with a claim
13 for unemployment compensation; and

14 (B) shall be subject to prosecution under
15 section 1001 of title 18, United States Code.

16 (2) REPAYMENT.—In the case of individuals
17 who have received amounts of Emergency COVID-
18 19 Unemployment Compensation or Emergency
19 COVID-19 Short-Time Compensation to which they
20 were not entitled, the State shall require such indi-
21 viduals to repay the amounts of such Emergency
22 COVID-19 Unemployment Compensation or Emer-
23 gency COVID-19 Short-Time Compensation to the
24 State agency, except that the State agency may
25 waive such repayment if it determines that—

1 (A) the payment of such Emergency
2 COVID-19 Unemployment Compensation or
3 Emergency COVID-19 Short-Time Compensa-
4 tion was without fault on the part of any such
5 individual; and

6 (B) such repayment would be contrary to
7 equity and good conscience.

8 (3) RECOVERY BY STATE AGENCY.—

9 (A) IN GENERAL.—The State agency may
10 recover the amount to be repaid, or any part
11 thereof, by deductions from any Emergency
12 COVID-19 Unemployment Compensation or
13 Emergency COVID-19 Short-Time Compensa-
14 tion payable to such individual or from any un-
15 employment payable to such individual under
16 any State or Federal unemployment compensa-
17 tion law administered by the State agency or
18 under any other State or Federal law adminis-
19 tered by the State agency which provides for
20 the payment of any assistance or allowance with
21 respect to any week of unemployment, during
22 the 3-year period after the date such individuals
23 received the payment of the Emergency
24 COVID-19 Unemployment Compensation or
25 Emergency COVID-19 Short-Time Compensa-

tion to which they were not entitled, in accordance with the same procedures as apply to the recovery of overpayments of regular unemployment benefits paid by the State.

(B) OPPORTUNITY FOR HEARING.—No repayment shall be required, and no deduction shall be made, until a determination has been made, notice thereof and an opportunity for a fair hearing has been given to the individual, and the determination has become final.

(4) REVIEW.—Any determination by a State agency under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in that manner and to that extent.

(i) APPLICATION TO OTHER UNEMPLOYMENT BENEFITS.—

(1) IN GENERAL.—Each agreement under this section shall include provisions to provide that the purposes of the preceding provisions of this section shall be applied with respect to unemployment benefits described in section (i)(3) to the same extent and in the same manner as if those benefits were regular compensation.

1 (2) ELIGIBILITY AND TERMINATION RULES.—
2 Emergency COVID-19 Unemployment Compensa-
3 tion—

4 (A) shall not be payable, pursuant to this
5 subsection, with respect to any unemployment
6 benefits described in subsection (i)(3) for any
7 week beginning on or after the date specified in
8 subsection (g)(1)(B), except in the case of an
9 individual who was eligible to receive Emer-
10 gency COVID-19 Unemployment Compensation
11 in connection with any regular compensation or
12 any other unemployment benefits described in
13 subsection (i)(3) for any period of unemploy-
14 ment ending before such date; and

15 (B) shall in no event be payable for any
16 week beginning after date specified in sub-
17 section (g)(3).

18 (j) TREATMENT OF EMERGENCY COVID-19 UNEM-
19 PLOYMENT COMPENSATION AND EMERGENCY COVID-19
20 SHORT-TIME COMPENSATION PAYMENTS.—An Emer-
21 gency COVID-19 Unemployment Compensation and
22 Emergency COVID-19 Short-Time Compensation pay-
23 ment shall not be regarded as income and shall not be
24 regarded as a resource for the money of receipt and the
25 following 9 months, for purposes of determining the eligi-

1 bility of the recipient (or the recipient's spouse or family)
2 for benefits or assistance, or the amount or extent of bene-
3 fits or assistance, under any Federal program or under
4 any State or local program financed in whole or in part
5 with Federal funds.

6 (k) DEFINITIONS.—For purposes of this section—

7 (1) the terms “compensation”, “regular com-
8 pensation”, “benefit year”, “State”, “State agency”,
9 “State law”, and “week” have the respective mean-
10 ings given such terms under section 205 of the Fed-
11 eral-State Extended Unemployment Compensation
12 Act of 1970 (26 U.S.C. 3304);

13 (2) the term “maximum benefit entitlement”
14 means the amount of regular compensation payable
15 to an individual with respect to the individual's ben-
16 efit year; and

17 (3) any reference to unemployment benefits de-
18 scribed in this paragraph shall be considered to refer
19 to—

20 (A) extended compensation (as defined by
21 section 205 of the Federal-State Extended Un-
22 employment Compensation Act of 1970); and

23 (B) unemployment compensation (as de-
24 fined by section 85(b) of the Internal Revenue
25 Code of 1986) provided under any program ad-

1 ministered by a State under an agreement with
2 the Secretary.

3 **SEC. 4. EMERGENCY DIRECT COMPENSATION FOR AF-**
4 **FECTED ADDITIONAL COVERED ENTITIES.**

5 (a) IN GENERAL.—The Administrator of the Small
6 Business Administration in consultation with the Sec-
7 retary of the Treasury and the Commissioner of the Inter-
8 nal Revenue Service, shall provide grants to additional
9 covered entities that have suffered a substantial economic
10 injury (as defined in section 7(b)(2) of the Small Business
11 Act (15 U.S.C. 636(b)(2))), directly or indirectly, as a re-
12 sult of the public health emergency declared because of
13 COVID-19.

14 (b) ADDITIONAL COVERED ENTITY DEFINED.—The
15 term “additional covered entity” means—

16 (1) a business concern that employs not more
17 than 500 employees per physical location of the busi-
18 ness concern and that is assigned a North American
19 Industry Classification System code beginning with
20 71; 72; 44; 45;

21 (2) a small business concern (as defined under
22 section 3 of the Small Business Act (15 U.S.C.
23 632)); and

24 (3) if such person was in operation on or before
25 January 31, 2020—

1 (A) an individual who operates under a
2 sole proprietorship or as an independent con-
3 tractor;

4 (B) a cooperative that employs not more
5 than 500 employees per physical location of the
6 cooperative;

7 (C) an ESOP (as defined in section
8 3(q)(6) of the Small Business Act (15 U.S.C.
9 632(q)(6))) that employs not more than 500
10 employees per physical location of the ESOP;

11 (D) an organization serving veterans or
12 members of the Armed Forces (as defined in
13 section 501(c)(19) of the Internal Revenue
14 Code of 1986, that is exempt from taxation
15 under subsection (a) of such sections);

16 (E) a private nonprofit organization that
17 employs not more than 500 employees per phys-
18 ical location of the organization; or

19 (F) a start-up small business concern that
20 employs not more than 500 employees per phys-
21 ical location of the concern.

22 (c) PRIORITY.—The SBA Administrator shall con-
23 sider prioritizing certain small businesses in initial rounds
24 of grantmaking such as—

1 (1) a small business concern that employs not
2 more than 100 employees per physical location;

3 (2) a minority-owned small business concern, a
4 woman-owned small business concern, or a veteran-
5 owned small business concern;

6 (3) a small business concern where the owner's
7 pay is equal to or less than 25 times the average
8 worker pay; or

9 (4) a small business concern that has not fired
10 or laid off its employees yet, reduced the salaries or
11 wages of its employees, or changed any labor con-
12 tracts, such as collective bargaining rights, for its
13 employees in the interim, unless exceptions provided
14 within subsection (o)(5) are met.

15 (d) SELF-REPORTING IN APPLICATION.—The SBA
16 Administrator, in coordination with the IRS Commis-
17 sioner, shall consider the necessary maintenance costs, as
18 established in subsection (l), self-reported by qualifying
19 additional covered entities, to determine the sufficient
20 amount of grants. An eligible recipient seeking such a
21 grant under this section shall submit documentation to the
22 SBA and IRS that include—

23 (1) documentation verifying the number of full-
24 time equivalent employees on payroll and pay rates

1 for the periods described in subsection (d), includ-
2 ing—

3 (A) payroll tax filings reported to the In-
4 ternal Revenue Service; and

5 (B) State income, payroll, and unemploy-
6 ment insurance filings;

7 (2) documentation, including cancelled checks,
8 payment receipts, transcripts of accounts, or other
9 documents verifying payments on covered mortgage
10 obligations, payments on covered lease obligations,
11 and covered utility payments;

12 (3) a certification from a representative of the
13 eligible recipient authorized to make such certifi-
14 cations that—

15 (A) the documentation presented is true
16 and correct; and

17 (B) the amount for which the grant is re-
18 quested was used to retain employees, make in-
19 terest payments on a covered mortgage obliga-
20 tion, make payments on a covered rent obliga-
21 tion, or make covered utility payments; and

22 (4) any other documentation the SBA Adminis-
23 trator determines necessary.

24 (e) ADDITIONAL PROCESSES.—The SBA Adminis-
25 trator shall also be able to use the existing direct loan

1 application process administered under section 7(b) of the
2 Small Business Act (15 U.S.C. 636(b)) to disburse grant
3 funds, to the greatest extent possible, within 7 days after
4 receiving an application from an additional covered entity.

5 (f) VERIFICATION OF ELIGIBILITY.—Before dis-
6 bursing amounts under this subsection, the SBA Adminis-
7 trator shall verify that the applicant is an additional cov-
8 ered entity.

9 (g) VERIFICATION OF AMOUNT.—After disbursing
10 amounts under this subsection, the SBA Administrator,
11 in consultation with the IRS commissioner, shall verify
12 that the requested amount for grants from an additional
13 covered entity did not exceed necessary maintenance costs,
14 not later than 1 year after the end date or termination
15 of this Act.

16 (h) OVERPAYMENT.—Excess compensation in the
17 form of any overpayment of grants, as examined and de-
18 termined by the IRS and SBA in post-award reviews, shall
19 be automatically considered as zero-interest loans to be
20 paid and returned to the United States Government.

21 (i) EXEMPTION FROM AFFILIATION RULES.—For
22 purposes of this section, the SBA Administrator shall sus-
23 pend the application of the affiliation rules of the Small
24 Business Administration during the period beginning on
25 January 31, 2020, and ending on September 30, 2021,

1 expect that individual affiliates may not exceed the current
2 small business size standard for the industry in which the
3 affiliate operates, and any group of affiliates may not re-
4 ceive more than 3 times the maximum allowable grant
5 amount under subsection (j).

6 (j) AMOUNT OF GRANTS.—The amount of a grant
7 provided under this section shall not be more than
8 \$100,000. The SBA Administrator shall have the discre-
9 tion to increase this cap for certain qualifying additional
10 covered entities to ensure meeting 100 percent necessary
11 maintenance costs.

12 (k) AUTOMATIC MULTIPLE PAYMENTS.—Additional
13 covered entities that receive their first grant will automati-
14 cally be considered for and delivered another grant at the
15 same level for at least the next four months, unless self-
16 opted out or determined by the SBA Administrator.

17 (l) USE OF FUNDS ONLY FOR NECESSARY MAINTENANCE COSTS.—An additional covered entity that receives
18 grants under this section may use the grant funds for nec-
19 essary maintenance costs to address the direct effects of
20 the COVID-19 pandemic, including—

22 (1) payroll support, including paid sick, med-
23 ical, or family leave and costs related to the continu-
24 ation of health care benefits;

1 (2) maintaining payroll to retain employees dur-
2 ing business disruptions or substantial slowdowns;

3 (3) meeting increased costs to obtain materials
4 unavailable from the original source of the additional
5 covered entity due to interrupted supply chains;

6 (4) making payments under a lease or mortgage
7 loan, or a contract for utility services, related to a
8 place of operation of the additional covered entity;

9 (5) repaying obligations that cannot be met due
10 to revenue losses; and

11 (6) other expenses, as deemed appropriate by
12 the Administrator.

13 (m) ELIGIBILITY FOR ADDITIONAL ASSISTANCE.—
14 An additional covered entity that receives grants under
15 this section may also apply for a zero-interest loan under
16 subsection (a) or (b) of section 6 of the Small Business
17 Act (15 U.S.C. 636).

18 (n) TAXABILITY.—Grant amounts, canceled indebt-
19 edness, and other awards under this section shall be ex-
20 cluded from gross income for purposes of the Internal
21 Revenue Code of 1986.

22 (o) LIMITS ON AMOUNT OF GRANTS.—

23 (1) REDUCTION BASED ON REDUCTION IN NUM-
24 BER OF EMPLOYEES.—

1 (A) IN GENERAL.—The amount of grants
2 under this section shall be substantially re-
3 duced, but not increased, by multiplying the
4 amount described in subsection (j) by the
5 quotient obtained by dividing—

6 (i) the average number of full-time
7 equivalent employees per month employed
8 by the eligible recipient during the covered
9 period; by

10 (ii)(I) the average number of full-time
11 equivalent employees per month employed
12 by the eligible recipient during the period
13 beginning on February 15, 2019, and end-
14 ing on June 30, 2019;

15 (II) if the eligible recipient was not in
16 operation before June 30, 2019, the aver-
17 age number of full-time equivalent employ-
18 ees per month employed by the eligible re-
19 cipient during the period beginning on
20 January 1, 2020, and ending on February
21 29, 2020; or

22 (III) in the case of an eligible recipi-
23 ent that is a seasonal employer, as deter-
24 mined by the SBA Administrator, the aver-
25 age number of full-time equivalent employ-

ees per month employed by the eligible recipient during the beginning on February 15, 2019, and ending on June 30, 2019.

(B) CALCULATION OF AVERAGE NUMBER OF EMPLOYEES.—For purposes of subparagraph (A), the average number of full-time equivalent employees shall be determined by calculating the average number of full-time equivalent employees for each pay period falling with a month.

(2) REDUCTION RELATING TO SALARY AND WAGES.—

(A) IN GENERAL.—The amount of grants under this section shall be reduced by the amount of any reduction in total salary or wages of any employee described in subparagraph (B) during the covered period that is in excess of 25 percent of the total salary or wages of the employee during the most recent full quarter during which the employee was employed before the covered period.

(B) EMPLOYEES DESCRIBED.—An employee described in this subparagraph is any employee who did not receive, during any single pay period during 2019, wages or salary at an

1 annualized rate of pay in an amount more than
2 \$100,000.

3 (3) EXCEPTION FOR TIPPED WORKERS.—An el-
4 igible recipient with tipped employees described in
5 section 3(m)(2)(A) of the Fair Labor Standards Act
6 of 1938 (29 U.S.C. 203(m)(2)(A)) may receive for-
7 giveness for additional wages paid to those employ-
8 ees.

9 (4) INELIGIBILITY AND EXCLUSION FROM FU-
10 TURE CONSIDERATION OF FUNDS.—The SBA Ad-
11 ministrators shall consider immediately stopping and
12 excluding any future grants for additional covered
13 entities that fire their employees during the payment
14 period.

15 (5) EXCEPTION FOR RE-HIRES.—

16 (A) IN GENERAL.—In a circumstance de-
17 scribed in paragraph (4), the amount of grants
18 under this section shall be determined without
19 regard to a reduction in the number of full-time
20 equivalent employees of an eligible recipient or
21 a reduction in the salary of 1 or more employ-
22 ees of the eligible recipient, as applicable, dur-
23 ing the period beginning on February 15, 2020,
24 and ending on April 1, 2020.

1 (B) CIRCUMSTANCES.—A circumstance de-
2 scribed in this subparagraph is a cir-
3 cumstance—

4 (i) in which—

5 (I) during the period beginning
6 on February 15, 2020, and ending on
7 April 1, 2020, there is a reduction, as
8 compared to February 15, 2020, in
9 the number of full-time equivalent em-
10 ployees of an eligible recipient; and

11 (II) not later than June 30,
12 2020, the eligible employer has elimi-
13 nated the reduction in the number of
14 full-time equivalent employees;

15 (ii) in which—

16 (I) during the period beginning
17 on February 15, 2020, and ending in
18 April 1, 2020, there is a reduction, as
19 compared to February 15, 2020, in
20 the salary or wages of 1 or more em-
21 ployees of the eligible recipient; and

22 (II) not later than June 30,
23 2020, the eligible employer has elimi-
24 nated the reduction in the salary or
25 wages of such employees; or

1 (iii) in which the events described in
2 clauses (i) and (ii) occur.

3 (p) PROCEDURES.—The SBA Administrator shall es-
4 tablish procedures, in coordination with the SSA Adminis-
5 trator and IRS Commissioner, to verify and document the
6 compliance of an additional covered entity that receives
7 grants under this section with the requirements under this
8 section in order to prevent waste, fraud, and abuse of such
9 grant funds.

10 (q) REGULATIONS.—Not later than 30 days after the
11 date of enactment of this Act, the SBA Administrator, in
12 consultation with the IRS Commissioner, shall issue guid-
13 ance and regulations implementing this section.

14 (r) REPORT.—Not later than March 31, 2022, the
15 SBA Administrator shall submit to Congress a report that
16 includes—

17 (1) the number of grants made under this sec-
18 tion, disaggregated by the number of grants made
19 per 10,000 amount;

20 (2) the average amount of a grant award;

21 (3) an analysis of the program established
22 under this section and recommendations for im-
23 provement;

24 (4) the average time from receipt of an applica-
25 tion to approval of grant under this section; and

1 (5) the average time from approval of grant to
2 disbursement of grant funds.

3 (s) AUTHORIZATIONS OF APPROPRIATIONS.—There
4 is authorization to be appropriated \$500,000,000,000 of
5 the SBA Administrator to carry out this section. Congress
6 shall consider increasing funds at the request of the SBA
7 Administrator.

8 (t) TERMINATION.—The authority to carry out
9 grants under this subsection shall terminate on April 30,
10 2021.

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