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FOR IMMEDIATE RELEASE

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- **President Trump Signs COVID Relief/Government Spending Plan**

On the evening of Sunday, December 27th, 2020, President Trump signed legislation containing a second round of COVID relief and a government spending plan funding the government thru September 30th, 2021. The President signed the \$2.3 trillion combination package despite wanting some “pork” trimmed and rallying for \$2000 individual direct payment versus the \$600 per person direct payments (tax-free) to each individual on a tax return including dependents included in the current legislations. However, it is anticipated that Congress will vote before the end of today to raise the direct payments to \$2000 per the President Trump’s request. The additional stimulus check are no guarantee as the House may need a 2/3 vote in favor and the Senate needing 60 votes. If the bill fails to pass 85 percent of American households and taxpayers will still receive the \$600 direct payments. The following are highlights of the legislation signed.

- Guidelines for who will receive the \$600 direct payments:
 - IRS will be using your 2019 tax return to determine eligibility.
 - Phase out of payments will begin at \$75,000 with reduced checks up to \$87,000 for individuals.
 - Married couples making less than \$150,000 a year are eligible for \$1200 and reduced checks will go to married couples who earn up to \$174,000.
 - Head of Household filers are eligible for \$600 payments and \$600 payments for dependents with annual adjusted gross income less than \$112,500 and reduced checks up to \$124,500.
 - Non-residents aliens and adult dependents will not receive the \$600 direct payments.

- Unemployment benefits are expanded by \$300 for another 11 weeks above current state benefits. Self-employed taxpayers with over \$5000 qualify for an additional 13 weeks of benefits of \$400 per week.
- New round of PPP (Payroll Protection) loans available which are specifically targeted at small business. Second round of loans will be limited to those with fewer than 300 employees. Gives businesses more flexibility on how they spend the money and simplifies forgiveness process for loans under \$150,000.
- Provides \$82 billion in aid to K-12 schools and colleges.
- Provides funding for vaccine distribution, assistance with testing and lost health-care expenses.
- An expansion of food stamp (SNAP) benefits, Meals on Wheels and food bank funding.
- The eviction ban is extended until January 31st, 2021 and provides \$25 billion in rental assistance.
- Payroll tax repayment deferment now extended to the end of 2021 instead of April 30th, 2020.

Many other targeted items will come to light after the bill is unraveled and additional explanation is given regarding its content. As we approach the end of the calendar and tax year, the professionals at EG Tax will keep everyone update on the impact and implications for the upcoming tax filing season. If you would like further information or to discuss the second stimulus package, please contact us at our corporate office at 1890 Colvin Blvd, Tonawanda, NY 14150 or call 716-632-7886.