



Federal lawmakers reach deal on federal economic stimulus package

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The News Media Alliance reports that congressional leaders in the Senate and House reached a deal on a \$2 trillion economic stimulus package that would increase funding for state and local governments and provide broad economic support and assistance to individuals and businesses in response to the COVID-19 crisis.

According to NMA's report:

"The bill, which could be approved by Congress today or tomorrow, provides broad economic support and assistance to individuals and businesses who have been disrupted by illness and stay-at-home orders.

The legislation does not provide sector-specific relief, except for the airline, air cargo and national security industries. Policymakers opted to provide economic relief for businesses across the spectrum.

The Alliance expects continuing interest from members of Congress and the public about the impact of the crisis on news publishers. We will be working with other national and state press associations to make sure that the needs of news organizations – large and small – are heard.

While we have not yet seen specific legislative language on the economic stimulus package, we know that it contains provisions that will be helpful to your business, your workers and your service providers. Below is a summary of key provisions.

Individual assistance

- \$1,200 for adults / \$500 child credit with income limitations.
- Enhanced unemployment insurance up to 4 months.
- Income tax exclusion for individuals who are receiving student loan repayment assistance from their employer.

Small-business loans

- The legislation provides \$367 billion in federally guaranteed loans through the Small Business Administration for small businesses with 500 employees or less.
- Loans can be used for payroll, healthcare, mortgage, and any other debt obligations.
- Potential for loan forgiveness if the money is used to retain workers.
- Sole-proprietors, independent contractors and other self-employed individuals are eligible.

Loans to larger businesses

- Provides \$500 billion through the Department of Treasury's Exchange Stabilization Fund to provide loans, loan guarantees and other investments.
- The direct lending includes the following:
 - \$50 billion for passenger air carriers.
 - \$8 billion for cargo air carriers.
 - \$17 billion for businesses important to maintaining national security.
 - \$425 billion for eligible businesses, states and municipalities.

We believe there are limits on stock buybacks and executive compensation for the duration of the loans.

Delay of payroll taxes

- Employers generally are responsible for paying a 6.2 percent Social Security tax on employee wages. The legislation delays payroll taxes for 2 years with half of the tax being paid by December 31, 2021 and the other half by Dec. 31, 2022.

Pension plans

- Delays payments to single-employer defined pension plans until Jan. 1, 2021.

Net operating losses

- A net operating loss (NOL) from 2018-2020 can be carried back five years. The provision also temporarily removes the taxable income limitation to allow an NOL to fully offset income.

Interest expensing

- The bill increases the amount of interest expense that businesses are allowed to deduct on their tax returns, by increasing the 30 percent limitation to 50 percent of the taxable income (with adjustments) for 2019 and 2020.”

CNPA is working with NMA to gather and provide up-to-date information regarding federal relief efforts to members. CNPA is poised to work with state officials to facilitate members gaining access to these funds at the appropriate time.

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