



NATIONAL AFFAIRS

December 28, 2020

End-of-Year Coronavirus Relief Legislation

On December 21, 2020, Congress adopted a \$900 billion [stimulus package](#) to provide additional coronavirus (COVID-19) relief to Americans. This package builds off of provisions contained in the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which passed in March. Below outlines key provisions of the new relief legislation. This is an extensive package with many provisions so please do not hesitate to reach out with questions. It is also important to stress that regulations and guidance issued by federal agencies will provide more details on how provisions of this legislation will be implemented. Kentucky Farm Bureau will closely monitor the implementation of this legislation and provide additional updates on programs when more details become available.

Key Provisions

Assistance for Producers and Processors

- \$11.2 billion is provided to the Office of the United States Department of Agriculture (USDA) Secretary to provide additional aid to producers.
 - \$1 billion is dedicated to contract growers of livestock and poultry to cover up to 80% of revenue losses due to contract changes because of COVID-19.
 - Cattle producers will receive additional assistance primarily designed to help those who sold into a depressed market after April 15, since those producers missed out on more robust support from Coronavirus Food Assistance Program (CFAP). The payment will be for cattle inventory from CFAP (i.e. April 16 to May 14).
 - Producers of 2020 [price trigger crops and flat-rate crops](#) are eligible to receive a payment of \$20 per eligible acre of the crop.
 - Sales-based rules for specialty crop producers from CFAP 2.0 are modified to allow producers to include crop insurance indemnities and disaster payments in their amount of eligible sales.

- The Secretary is directed to make payments to producers for losses incurred due to the depopulation of livestock and poultry due to insufficient processing access. These payments will be up to 80% of the fair market value of the depopulated animals, and for the costs of depopulation.
- \$870 million is allocated for a supplemental Dairy Margin Coverage program as well as a new dairy donation program.
- \$60 million is allocated for facility upgrade and planning grants to existing meat and poultry processors to help them move to Federal inspection and be able to sell their products across state lines.

Direct Aid for Individuals

- Another round of direct payments or 'economic impact payments' will be disbursed to individuals within the following guidelines:
 - Individuals with an adjusted gross income (AGI) of up to \$75,000 (\$112,500 for heads of household) are eligible to receive \$600 and married couples with an AGI of up to \$150,000 are eligible to receive \$1,200.
 - Payments will increase by an additional \$600 for each qualifying child in the household.
 - Payments will be phased down starting at \$75,000 AGI (\$112,500 for heads of household and \$150,000 for married couples) at a rate of \$5 per \$100 of additional income.
- *The Internal Revenue Service is allowed to provide advance payments based on the taxpayer's 2019 tax return.*

Paycheck Protection Program

- This legislation reinstates the [Paycheck Protection Program \(PPP\)](#) and provides \$284 billion for additional loans through March 31, 2021.
 - A second PPP loan of up to \$2 million may be issued to eligible businesses that have less than 300 employees, show a 25% reduction in gross revenue between comparable quarters in 2019 and 2020, and have used their first PPP loan.
 - Forgivable loan expenses are expanded to include worker personal protective equipment and adaptive investments in order to comply with health and safety guidelines.
 - The loan amount calculation for farmers who file as sole-proprietors can be based on gross income and not the current method of establishing loans based on net-farm income.
 - Allowable expenses paid for with forgiven PPP loans may be taken as a business deduction for income tax purposes without limitation.
 - For loans under \$150,000, a simplified one-page application is allowed.

Broadband

- \$300 million is allocated to the National Telecommunications and Information Administration for a new program to support broadband infrastructure deployment to areas lacking broadband with emphasis on rural areas. Grants would be issued to qualifying partnerships between state and local governments and fixed broadband providers.

For more information about the USDA's actions in response to COVID-19 you may visit: <https://www.usda.gov/coronavirus> or <https://www.kyfb.com/federation/covid-19-resources/>.