

**TO:** ABL Board & Affiliates  
**FROM:** ABL Staff  
**RE:** Update: Government Funding & COVID-19 Relief



Late Sunday night, Congressional leaders coalesced around an approximately \$900 billion COVID-19 relief package that will be attached to a \$1.4 trillion appropriations bill to fund the federal government through the end of the fiscal year on Sept. 30, 2021. Protracted negotiations forced Congress to pass two stop-gap spending measures this weekend to keep the government funded. A vote in the House on the package is expected on Monday, December 21, with the Senate to follow shortly thereafter.

Details of everything that is in the COVID-19 and government funding package are still being settled/coming out, but we expect the COVID-19 relief plan to include \$284 billion for the Paycheck Protection Program (PPP) that provides forgivable loans to small businesses; \$600 in direct payments to most Americans; and \$300-per-week in enhanced unemployment benefits through March 2021.

Of the aid to small businesses, the package includes:

- \$15 billion for live venues, movie theaters and cultural institutions, which was called for in the Save Our Stages (SOS) Act;
- Greater PPP eligibility for more nonprofits (we believe 501(c)(6) eligibility is included but have not seen specific text);
- Allowing businesses to deduct expenses on their taxes for costs that were paid for by the federal government through the PPP;
- 100 percent expensing of business meals for the next two years. (That tax break was reduced to 50 percent in 1993.);
- Expansion of the employee retention credit to help employers keep workers on the payroll during the pandemic.

There does not appear to be any direct aid earmarked for restaurants and hospitality venues, which had advocated for a \$120 billion rescue fund.

The America Craft Spirits Association (ACSA) has reported that they have received confirmation that the package will include a provision to make permanent the \$2.70 federal excise tax (FET) rate for craft distillers.

We will share more details as they become available and bill text is released.

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