

# COVID-19 Recovery & Stimulus Priorities for the Retail Industry

**What retailers need to protect workers and customers, keep our businesses safely open and continue to grow the economy.**

## Tax credits for investments that maintain a safe and healthy workplace

- Business tax relief can help boost liquidity for retailers who are facing decreased sales and increased costs from store reconfigurations and providing protection and gear for employees.
- The Safe and Healthy Workplace Tax Credit included in the HEALS Act would help offset the enormous costs of PPE and workplace reconfiguration to increase social distancing. The refundable payroll tax credit is equal to 50 percent of an employer's qualified employee protection, workplace configuration and workplace technology expenses (including contactless POS systems and other technology with the primary purpose of preventing the spread of COVID-19).

## Enhanced worker retention tax credit

- The Employee Retention Tax Credit (ERTC) provided by the CARES Act has helped businesses keep employees on payroll instead of furloughing or laying them off. Building upon this beneficial tax credit would help keep more employees on staff as the economy continues to feel the impacts of COVID-19.
- The ERTC under the HEROES Act would increase the per-employee limit for the credit from 50 percent of \$10,000 to 80 percent of \$45,000 per employee.

## Financial stimulus through direct aid to individuals and families, and incentives to return to work

- As the economy begins to reopen, it is critical to ensure individuals and families are in a financial position to contribute towards the recovery of the economy. Consumer spending comprises 70 percent of total GDP in the United States, and the complete retail ecosystem employs 52 million people — 1 in 4 American workers; so a healthy retail industry will be critical to accelerating the pace of economic recovery in the U.S.
- Under the HEROES Act, individuals with an annual income of up to \$75,000 (\$150,000 married) would be eligible for a \$1,200 (\$2,400 married) rebate and an additional \$500 rebate for those with dependents of any age. The rebate is phased-out once the income exceeds \$99,000 (\$146,500 head of household with one child).
- Under the HEALS Act, individuals would be provided a refundable tax credit of \$1,200 for single filers, \$2,400 for joint filers, plus \$1,200 for each dependent (up to three), with a phase-out for higher incomes. An expansion of the Work Opportunity Tax Credit

(WOTC) under the HEALS Act temporarily adds qualified COVID-19 unemployment recipients as a new WOTC targeted group, encouraging businesses to hire those who lost their job due to the pandemic. The limitation on rehires would also be removed for this group.

#### Liability protections to provide certainty for businesses following safe operating guidelines without fear of unwarranted lawsuits

- Targeted and temporary liability protection for businesses and other entities, such as schools, are essential to reopening efforts and staying open. Consumer-facing businesses like retailers should be able to rely on public health safety guidelines without the threat of liability. Such businesses should be able to focus their strained resources on safely revitalizing operations, serving the public and growing jobs for American workers.
- The HEALS Act includes the SAFE TO WORK Act which establishes temporary rules for coronavirus-related claims designed to help businesses stay open and facilitate the prudent and safe reopening of other businesses, while also ensuring that those who contract COVID-19 due to the gross negligence or willful misconduct of others can recover for their injuries. Employers who make good-faith efforts to comply with public-health guidance and regulations would be protected from unfounded lawsuits.

#### Expedite loan forgiveness and flexibility to use PPP funds for fixed costs by small businesses

- Both the HEROES Act and the HEALS Act make key improvements to the PPP to allow small businesses to better utilize the popular program.
  - The HEROES Act adds flexibility to the covered period for borrowers by extending the eight-week period to 24 weeks and extends the covered period from June 30 to December 31. PPP eligibility would be expanded to all 501(c) nonprofits. The HEROES Act also clarifies that loan-related expenses, like payroll costs that are paid with loan proceeds, are tax deductible business expenses.
  - The HEALS Act expands forgivable expenses to include covered supplier costs, covered worker protection expenditures and covered operations expenditures. The forgiveness application process is simplified for loans under \$2 million.
- The HEALS Act provides \$190 billion of committed and appropriated funds to support PPP and a new PPP Second Draw Loans program. PPP Second Draw Loans allow qualified small businesses to borrow up to 2.5 times average total monthly payroll costs, up to \$2 million.
- The HEROES Act appropriates an additional \$10 billion for Emergency EIDL grants to remain available until expended.

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#### **ABOUT NRF**

The National Retail Federation, the world's largest retail trade association, passionately advocates for the people, brands, policies and ideas that help retail thrive. From its headquarters in Washington, D.C., NRF empowers the industry that powers the economy. Retail is the nation's largest private-sector employer, contributing \$3.9 trillion to annual GDP and supporting one in four U.S. jobs — 52 million working Americans. For over a century, NRF has been a voice for every retailer and every retail job, educating, inspiring and communicating the powerful impact retail has on local communities and global economies.