



TTAA Legislative Update

March 31, 2021



Death Tax Repeal Act Reintroduced

Recently, the Death Tax Repeal Act of 2021 was reintroduced ([S. 617](#) & [H.R. 1712](#)) by Congressmen Smith (R-MO) and Bishop (D-GA) in the House and Senate Minority Whip Thune in the Senate.

SCWA signed on to a letter supporting the legislation along with 154 organizations.

While we don't expect repeal to pass under a Biden administration, this year we will be fighting against a death tax increase and our friends on the hill tell us that a strong offense helps them play defense on this issue.

The House bill already has 121 cosponsors and the Senate has 25. Many associations have been working to gather cosponsors on the legislation.

Last Congress, Senate Democrats proposed rolling back the doubled exemption to partly pay for their infrastructure package.

With another reconciliation bill likely this year, small business owners should be on high alert for any changes to the estate tax, capital gains due at death, step up in basis changes, and technical changes to the estate tax like disallowing valuation discounts and disallowing the use of certain trusts that family businesses use to plan for succession.



Senate Approves Paycheck Protection Program (PPP) Extension- President Signs

In good news for the country's small businesses, last week the Senate passed (by a vote of 92 to 7) the PPP Extension Act of 2021 ([H.R. 1799](#)) – which will extend the time for businesses to apply for, and the Small Business Administration (SBA) to grant, Paycheck Protection Program (PPP) loans. President Biden has signed this bill into law this week.

SCWA supported the legislation and signed onto a letter of support.

While the latest COVID relief package signed into law by President Biden on March 11 included an additional \$7.2 billion for PPP loans and opened the program up to additional tax-exempt entities and online news organizations, the SBA was still facing a looming March 31, 2021 deadline for approving PPP loans.

The PPP Extension Act of 2021 extends the deadlines and provides businesses until May 31, 2021 to apply for a first or second PPP loan and allows the SBA until June 30 to review and approve loan applications submitted before June 1.

The PPP Extension Act of 2021 was already passed in the House on March 16, 2021.

We continue to encourage all small businesses to take full advantage of the PPP program and other relief programs, including the Employee Retention Tax Credit (ERTC) if they have not done so already.



COVID-19 Paid Sick Leave is Back (Again)

Congress recently extended COVID-19 paid sick leave to employers covered by the Families First Coronavirus Response Act (FFCRA). The law applies to employers with less than 500 employees and certain government agencies. The extension of the law **does not mandate** covered employers to implement the COVID-19 paid sick leave, but employers who voluntarily offer it can receive a federal payroll tax credit.

For those employers who choose to **voluntarily** provide paid sick leave for COVID-19 from April 1 through September 30, 2021, here are some important changes to note:

- Employees who previously exhausted their Emergency Paid Sick Leave Act (EPSLA) leave will be entitled to a new set of 10 days of paid sick leave.
- In addition to a new set of paid leave, there are three new qualifying reasons for paid sick leave under EPSLA. The new reasons are:
 - an employee is seeking or awaiting results of a diagnostic test or awaiting a medical diagnosis of COVID-19 infection,
 - an employee is obtaining a COVID-19 vaccine, or
 - an employee is recovering from any illness, injury or condition related to COVID-19 immunization.
- Employees may now receive paid leave under the Emergency Family and Medical Leave Expansion Act (eFMLA) for any of the qualifying reasons under EPSLA, including the new reasons cited above. Additionally, employees are now eligible to receive paid leave for the entire 12 weeks of eligible eFMLA leave (previously only 10 weeks of leave were paid).

With these updates, employees will be able to receive up to 14 weeks of paid leave, 12 weeks of eFMLA leave and 2 weeks of leave under EPSLA.

The Department of Labor has not issued guidance on the FFCRA tax extension, but we do expect it to be released soon.

