

FROM THE WEALTH
STRATEGY GROUP

2021 President-elect Joe Biden's "America Rescue Plan" (ARP)

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Thursday's speech focused on the "America Rescue Plan" (ARP), designed to curb the virus and strengthen America's financial well-being by providing direct aid to individuals, families, and businesses. Biden also promised historic investments in a combination of infrastructure, manufacturing, innovation research/development, and clean energy.

Provisions under ARP supplement the bipartisan COVID relief package already passed by Congress in December 2020 under which all qualifying small businesses may begin applying for new Payroll Protection Plan ("PPP") loans on January 19, 2021 (regardless as to whether they received a previous PPP loan). President-elect Biden's proposed legislation will immediately add an additional \$15 billion in stimulus, much of which will flow directly to hard-hit proprietors of restaurants.

New monitoring measures are planned to ensure the ARP prioritizes enterprises that were either overlooked or insufficiently funded during the first round of PPP (e.g., women and minority-owned businesses) while preventing a repeat of previous situations in which some aid was misdirected to large corporations. Loan applicants would be well-advised to approach the process accordingly.

Restaurants are also likely to see a boost in worker retention as well as business due to the infusion of \$1400 into the wallets of a large majority of Americans including citizens, work-eligible non-citizens with social security numbers and spouses and children of undocumented immigrants who have social security numbers.

With a White House, House of Representatives and Senate under Democratic control, now is a good time to start reviewing tax policy that may change in 2021 and beyond. The Senate retains the filibuster, which enables a minority of 41 out of 100 Senators to block some type of legislation. However, Democrats may employ the "reconciliation rule" that enables the Senate to pass some types of spending and taxation legislation by a simple majority. Biden may still face an uphill battle as Republicans are calling his proposal "too big" and "too much."

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