



## HAYASHI | WAYLAND

March 11, 2021

To our Valued Clients and Friends:

The long-awaited American Rescue Plan Act of 2021 is a \$1.9 trillion economic stimulus package, that has now been signed by President Joe Biden. This package will be used to speed up the United States recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession. Key provisions of the bill include the following:

### **Individual Tax Specifications**

- A \$10,200 per individual unemployment insurance exclusion for the 2020 taxable year, only for households with modified Adjusted Gross Income of \$150,000 or less
- A third round of Economic Impact Payments of \$1,400 per individual and dependent (including dependents over age 17)
- Increased and fully refundable Child Tax Credits and Dependent Care Assistance Credits for the 2021 taxable year (up to \$3600 per child)
- An increased employer-provided dependent care assistance exclusion
- A five-year COD exclusion for student loan forgiveness
- Expansion and increase of the Earned Income Tax Credit
- Increase in the Premium Tax Credit for 2021 and 2022
- Free COBRA benefits for six months

### **Business Tax Specifications**

- Extension and expansion of the Employee Retention Credit
- Extension and expansion of the employer credits for paid sick and family leave benefits
- Credits for providing subsidized COBRA benefits
- Restaurant revitalization grants to cover restaurant business losses



## Closing

As always, please do not hesitate to contact the HW partner or team member you work with for assistance or with any questions you may have.

Sincerely,



*Michael Briley, CPA, CGMA*  
*Managing Partner*  
*Hayashi Wayland*

